

APPENDIX A

ADOPTED SUMMARIES OF EARNINGS, TEST YEAR 2006/2007

CALIFORNIA WATER SERVICE COMPANY
 ANTELOPE VALLEY DISTRICT
 SUMMARY OF EARNINGS
 (DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$1,184.8	\$1,570.5
OPERATING EXPENSES		
PURCHASED WATER	165.0	165.0
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
PURCHASED POWER	115.4	115.4
PURCHASED CHEMICALS	4.0	4.0
PAYROLL -- DISTRICT	184.8	184.8
OTHER OPERATION AND MAINTENANCE	241.5	242.4
OTHER ADMIN AND GEN. EXP.	<u>18.9</u>	<u>18.9</u>
TOTAL O. & M., A. & G., & MISC. EXP.	729.5	730.4
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	28.4	28.4
LOCAL FRANCHISE TAXES & BUS. LICENSE	1.6	2.1
PAYROLL TAXES	<u>17.3</u>	<u>17.3</u>
TOTAL GENERAL TAXES	47.3	47.8
DEPRECIATION	160.4	160.4
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	133.0	133.0
AD VALOREM TAXES	1.5	1.5
PAYROLL TAXES	4.4	4.4
ACQUISITION ADJUSTMENT	-92.0	-92.0
OTHER PRORATED EXPENSES	<u>47.9</u>	<u>47.9</u>
TOTAL G.O. PRORATED EXPENSES	94.8	94.8
SUB -- TOTAL -- OPERATING EXPENSES	1,032.0	1,033.4
TOTAL INCOME TAXES:	45.4	211.3
TOTAL OPERATING EXPENSES	1,077.4	1,244.7
NET OPERATING REVENUE	107.4	325.8
DEPRECIATED RATE BASE	3,824.0	3,824.0
RATE OF RETURN	2.81%	8.52%

CALIFORNIA WATER SERVICE COMPANY
BEAR GULCH DISTRICT
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$19,416.7	\$19,822.2
OPERATING EXPENSES		
PURCHASED WATER	6,212.0	6,212.0
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
PURCHASED POWER	747.8	747.8
PURCHASED CHEMICALS	28.2	28.2
PAYROLL -- DISTRICT	1,752.7	1,752.7
OTHER OPERATION AND MAINTENANCE	1,434.4	1,434.7
OTHER ADMIN AND GEN. EXP.	268.4	268.4
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TOTAL O. & M., A. & G., & MISC. EXP.	10,443.5	10,443.8
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	393.7	393.7
LOCAL FRANCHISE TAXES & BUS. LICENSE	163.7	167.0
PAYROLL TAXES	156.8	156.8
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TOTAL GENERAL TAXES	714.2	717.5
DEPRECIATION	1,457.8	1,457.8
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	1,757.6	1,757.6
AD VALOREM TAXES	19.2	19.2
PAYROLL TAXES	58.3	58.3
OTHER PRORATED EXPENSES	634.3	634.3
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TOTAL G.O. PRORATED EXPENSES	2,469.4	2,469.4
SUB -- TOTAL -- OPERATING EXPENSES	15,084.9	15,088.5
TOTAL INCOME TAXES:	1,244.5	1,419.7
TOTAL OPERATING EXPENSES	16,329.4	16,508.2
NET OPERATING REVENUE	3,087.3	3,314.0
DEPRECIATED RATE BASE	38,897.4	38,897.4
RATE OF RETURN	7.94%	8.52%

CALIFORNIA WATER SERVICE COMPANY
DOMINGUEZ-SOUTH BAY DISTRICT
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$32,216.4	\$33,238.8
OPERATING EXPENSES		
PURCHASED WATER	17,600.7	17,600.7
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	1,033.6	1,033.6
PURCHASED POWER	641.1	641.1
PURCHASED CHEMICALS	160.9	160.9
PAYROLL -- DISTRICT	2,200.6	2,200.6
UNCOLLECTIBLES	29.2	30.1
OTHER OPERATION AND MAINTENANCE	1,512.2	1,512.2
OTHER ADMIN AND GEN. EXP.	173.6	173.6
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TOTAL O. & M., A. & G., & MISC. EXP.	23,351.8	23,352.7
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	652.9	652.9
LOCAL FRANCHISE TAXES	0.0	0.0
BUSINESS LICENSE FEES	2.7	2.7
PAYROLL TAXES	167.0	167.0
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TOTAL GENERAL TAXES	822.6	822.6
DEPRECIATION	2,128.5	2,128.5
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	2,801.9	2,801.9
AD VALOREM TAXES	30.6	30.6
PAYROLL TAXES	93.0	93.0
MERGER SAVINGS	-3,840.5	-3,840.5
OTHER PRORATED EXPENSES	1,011.3	1,011.3
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TOTAL G.O. PRORATED EXPENSES	96.3	96.3
SUB -- TOTAL -- OPERATING EXPENSES	26,399.3	26,400.2
TOTAL INCOME TAXES:	1,852.8	2,293.5
TOTAL OPERATING EXPENSES	28,252.1	28,693.7
NET OPERATING REVENUE	3,964.3	4,545.1
DEPRECIATED RATE BASE	53,346.8	53,346.8
RATE OF RETURN	7.43%	8.52%

CALIFORNIA WATER SERVICE COMPANY
HERMOSA-REDONDO DISTRICT
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$17,796.5	\$18,052.3
OPERATING EXPENSES		
PURCHASED WATER	7,195.3	7,195.3
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
REPLENISHMENT ASSESSMENT	349.3	349.3
PURCHASED POWER	327.7	327.7
PURCHASED CHEMICALS	63.9	63.9
PAYROLL -- DISTRICT	1,690.4	1,690.4
OTHER OPERATION AND MAINTENANCE	738.8	739.0
OTHER ADMIN AND GEN. EXP.	111.1	111.1
TOTAL O. & M., A. & G., & MISC. EXP.	10,476.5	10,476.7
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	245.6	245.6
LOCAL FRANCHISE TAXES & BUS. LICENSE	26.6	26.7
PAYROLL TAXES	128.9	128.9
TOTAL GENERAL TAXES	401.0	401.1
DEPRECIATION	1,208.3	1,208.3
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	1,735.0	1,735.0
AD VALOREM TAXES	19.0	19.0
PAYROLL TAXES	57.6	57.6
OTHER PRORATED EXPENSES	626.2	626.2
TOTAL G.O. PRORATED EXPENSES	2,437.8	2,437.8
SUB -- TOTAL -- OPERATING EXPENSES	14,523.5	14,523.8
TOTAL INCOME TAXES:	965.1	1,076.4
TOTAL OPERATING EXPENSES	15,488.6	15,600.2
NET OPERATING REVENUE	2,307.8	2,452.1
DEPRECIATED RATE BASE	28,780.7	28,780.7
RATE OF RETURN	8.02%	8.52%

CALIFORNIA WATER SERVICE COMPANY
KERN RIVER VALLEY DISTRICT
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$2,600.4	\$3,405.7
OPERATING EXPENSES		
PURCHASED WATER	99.0	99.0
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
PURCHASED POWER	238.6	238.6
PURCHASED CHEMICALS	23.8	23.8
PAYROLL -- DISTRICT	518.1	518.1
OTHER OPERATION AND MAINTENANCE	465.4	472.6
OTHER ADMIN AND GEN. EXP.	15.9	15.9
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TOTAL O. & M., A. & G., & MISC. EXP.	1,360.8	1,368.0
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	103.4	103.4
LOCAL FRANCHISE TAXES & BUS. LICENSE	23.2	30.8
PAYROLL TAXES	48.2	48.2
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TOTAL GENERAL TAXES	174.7	182.3
DEPRECIATION	383.4	383.4
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	372.9	372.9
AD VALOREM TAXES	4.1	4.1
PAYROLL TAXES	12.4	12.4
ACQUISITION ADJUSTMENT	-133.9	-133.9
OTHER PRORATED EXPENSES	134.5	134.5
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TOTAL G.O. PRORATED EXPENSES	390.0	390.0
SUB -- TOTAL -- OPERATING EXPENSES	2,308.9	2,323.7
TOTAL INCOME TAXES:	85.6	426.1
TOTAL OPERATING EXPENSES	2,394.5	2,749.8
NET OPERATING REVENUE	205.9	655.9
DEPRECIATED RATE BASE	7,698.5	7,698.5
RATE OF RETURN	2.67%	8.52%

CALIFORNIA WATER SERVICE COMPANY
MARYSVILLE DISTRICT
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$2,027.1	\$2,128.2
OPERATING EXPENSES		
PURCHASED WATER	0.0	0.0
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
PURCHASED POWER	167.8	167.8
PURCHASED CHEMICALS	16.2	16.2
PAYROLL -- DISTRICT	379.7	379.7
OTHER OPERATION AND MAINTENANCE	195.6	195.9
OTHER ADMIN AND GEN. EXP.	<u>38.4</u>	<u>38.4</u>
TOTAL O. & M., A. & G., & MISC. EXP.	797.8	798.1
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	38.7	38.7
LOCAL FRANCHISE TAXES & BUS. LICENSE	0.6	0.6
PAYROLL TAXES	<u>35.2</u>	<u>35.2</u>
TOTAL GENERAL TAXES	74.5	74.5
DEPRECIATION	285.8	285.8
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	269.2	269.2
AD VALOREM TAXES	2.9	2.9
PAYROLL TAXES	8.9	8.9
OTHER PRORATED EXPENSES	<u>97.2</u>	<u>97.2</u>
TOTAL G.O. PRORATED EXPENSES	378.2	378.2
SUB -- TOTAL -- OPERATING EXPENSES	1,536.2	1,536.5
TOTAL INCOME TAXES:	149.5	193.1
TOTAL OPERATING EXPENSES	1,685.7	1,729.6
NET OPERATING REVENUE	341.4	398.6
DEPRECIATED RATE BASE	4,678.6	4,678.6
RATE OF RETURN	7.30%	8.52%

CALIFORNIA WATER SERVICE COMPANY
PALOS VERDES DISTRICT
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$25,228.4	\$26,084.0
OPERATING EXPENSES		
PURCHASED WATER	12,446.4	12,446.4
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
PURCHASED POWER	2,740.6	2,740.6
PURCHASED CHEMICALS	0.0	0.0
PAYROLL -- DISTRICT	1,751.0	1,751.0
UNCOLLECTIBLES	10.3	10.6
OTHER OPERATION AND MAINTENANCE	1,142.3	1,142.3
OTHER ADMIN AND GEN. EXP.	<u>48.7</u>	<u>48.7</u>
TOTAL O. & M., A. & G., & MISC. EXP.	18,139.2	18,139.5
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	244.5	244.5
LOCAL FRANCHISE TAXES 1.03630%	261.5	270.6
BUSINESS LICENSE FEES 0.00992%	2.5	2.5
PAYROLL TAXES	<u>145.9</u>	<u>145.9</u>
TOTAL GENERAL TAXES	654.3	663.4
DEPRECIATION	1,199.0	1,199.0
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	2,056.0	2,056.0
AD VALOREM TAXES	22.5	22.5
PAYROLL TAXES	68.2	68.2
OTHER PRORATED EXPENSES	<u>742.1</u>	<u>742.1</u>
TOTAL G.O. PRORATED EXPENSES	2,888.8	2,888.8
SUB -- TOTAL -- OPERATING EXPENSES	22,881.3	22,890.7
TOTAL INCOME TAXES:	694.2	1,058.8
TOTAL OPERATING EXPENSES	23,575.5	23,949.5
NET OPERATING REVENUE	1,652.9	2,134.5
DEPRECIATED RATE BASE	25,052.8	25,052.8
RATE OF RETURN	6.60%	8.52%

CALIFORNIA WATER SERVICE COMPANY
REDWOOD VALLEY DISTRICT
COAST SPRINGS TARIFF AREA
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$82.6	\$207.0
OPERATING EXPENSES		
PURCHASED WATER	0.0	0.0
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
PURCHASED POWER	6.6	6.6
PURCHASED CHEMICALS	0.7	0.7
PAYROLL -- DISTRICT	14.9	14.9
OTHER OPERATION AND MAINTENANCE	61.1	61.3
OTHER ADMIN AND GEN. EXP.	<u>2.0</u>	<u>2.0</u>
TOTAL O. & M., A. & G., & MISC. EXP.	85.3	85.5
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	1.9	1.9
LOCAL FRANCHISE TAXES & BUS. LICENSE	0.0	0.0
PAYROLL TAXES	<u>1.5</u>	<u>1.5</u>
TOTAL GENERAL TAXES	3.5	3.5
DEPRECIATION	22.0	22.0
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	22.8	22.8
AD VALOREM TAXES	0.2	0.2
PAYROLL TAXES	0.7	0.7
OTHER PRORATED EXPENSES	<u>8.2</u>	<u>8.2</u>
TOTAL G.O. PRORATED EXPENSES	31.9	31.9
SUB -- TOTAL -- OPERATING EXPENSES	142.6	142.8
TOTAL INCOME TAXES:	-32.4	21.2
TOTAL OPERATING EXPENSES	110.2	164.0
NET OPERATING REVENUE	-27.6	43.0
DEPRECIATED RATE BASE	505.6	505.6
RATE OF RETURN	-5.46%	8.51%

Note: Rate of return lower than authorized due to rounding.

CALIFORNIA WATER SERVICE COMPANY
REDWOOD VALLEY DISTRICT
LUCERNE TARIFF AREA
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$551.5	\$1,218.6
OPERATING EXPENSES		
PURCHASED WATER	22.9	22.9
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
PURCHASED POWER	54.9	54.9
PURCHASED CHEMICALS	17.8	17.8
PAYROLL -- DISTRICT	237.3	237.3
OTHER OPERATION AND MAINTENANCE	155.9	158.4
OTHER ADMIN AND GEN. EXP.	31.5	31.5
TOTAL O. & M., A. & G., & MISC. EXP.	520.3	522.8
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	15.6	15.6
LOCAL FRANCHISE TAXES & BUS. LICENSE	0.0	0.0
PAYROLL TAXES	22.3	22.3
TOTAL GENERAL TAXES	37.9	37.9
DEPRECIATION	73.5	73.5
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	120.0	120.0
AD VALOREM TAXES	1.3	1.3
PAYROLL TAXES	4.0	4.0
OTHER PRORATED EXPENSES	43.3	43.3
TOTAL G.O. PRORATED EXPENSES	168.6	168.6
SUB -- TOTAL -- OPERATING EXPENSES	800.3	802.8
TOTAL INCOME TAXES:	-144.5	141.8
TOTAL OPERATING EXPENSES	655.8	944.6
NET OPERATING REVENUE	-104.3	274.0
DEPRECIATED RATE BASE	3,216.4	3,216.4
RATE OF RETURN	-3.24%	8.52%

CALIFORNIA WATER SERVICE COMPANY
REDWOOD VALLEY DISTRICT
REDWOOD UNIFIED TARIFF AREA
(NOEL HEIGHTS, RANCHO DEL PARADISO, ARMSTRONG, AND HAWKINS)
SUMMARY OF EARNINGS
(DOLLARS IN THOUSANDS)

	PRESENT RATES <u>2006-7</u>	AT AUTHORIZED RATE OF RETURN <u>2006-7</u>
OPERATING REVENUES	\$319.1	\$576.8
OPERATING EXPENSES		
PURCHASED WATER	11.9	11.9
REPLENISHMENT ASSESSMENT	0.0	0.0
GROUNDWATER EXTRACTION CHARGE	0.0	0.0
PURCHASED POWER	14.2	14.2
PURCHASED CHEMICALS	0.8	0.8
PAYROLL -- DISTRICT	142.0	142.0
OTHER OPERATION AND MAINTENANCE	69.1	69.9
OTHER ADMIN AND GEN. EXP.	19.3	19.3
TOTAL O. & M., A. & G., & MISC. EXP.	257.3	258.1
TAXES OTHER THAN INCOME		
AD VALOREM TAXES	6.0	6.0
LOCAL FRANCHISE TAXES & BUS. LICENSE	0.0	0.0
PAYROLL TAXES	13.5	13.5
TOTAL GENERAL TAXES	19.5	19.5
DEPRECIATION	57.9	57.9
G.O. PRORATED EXPENSES:		
PAYROLL AND BENEFITS	48.6	48.6
AD VALOREM TAXES	0.5	0.5
PAYROLL TAXES	1.6	1.6
OTHER PRORATED EXPENSES	17.6	17.6
TOTAL G.O. PRORATED EXPENSES	68.3	68.3
SUB -- TOTAL -- OPERATING EXPENSES	403.0	403.8
TOTAL INCOME TAXES:	-51.0	59.7
TOTAL OPERATING EXPENSES	352.0	463.5
NET OPERATING REVENUE	-32.9	113.3
DEPRECIATED RATE BASE	1,329.6	1,329.6
RATE OF RETURN	-2.47%	8.52%

APPENDIX B

ADOPTED RATE BASE, TEST YEAR 2006/2007 AND 2007/2008

CALIFORNIA WATER SERVICE CO.
ANTELOPE VALLEY DISTRICTADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
<u>RATE BASE</u>		
WTD. AVG. PLANT IN SERVICE	\$6,512.8	\$6,960.9
MATERIALS AND SUPPLIES	1.0	1.0
WORKING CASH - LEAD - LAG	1.6	1.4
WORKING CASH - W / H EMPLOYEES	(0.3)	(0.3)
WTD. AVG. DEPRECIATION RESERVE	(1,894.5)	(2,165.8)
ADVANCES FOR CONSTRUCTION	(261.6)	(261.6)
CONTRIBUTIONS	(331.4)	(331.4)
AMORTIZATION OF INTANG.	0.0	0.0
DEFERRED TAXES	(289.4)	(307.4)
UNAMORT. I.T.C.	(14.1)	(13.6)
PRORATED G.O. RATE BASE	97.4	100.3
TAXES ON ADVANCES	0.0	0.0
TAXES ON C.I.A.C.	2.5	2.7
WTG. AVG. RATE BASE	3,824.0	3,986.2
<u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	160.4	192.1
AD VALOREM TAXES	28.4	33.1
NET OPERATING REVENUE	325.8	341.2
INCOME TAXES	211.3	208.4

CALIFORNIA WATER SERVICE CO.
BEAR GULCH DISTRICT

ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
<u>RATE BASE</u>		
WTD. AVG. PLANT IN SERVICE	\$71,870.8	\$73,665.2
MATERIALS AND SUPPLIES	187.1	187.1
WORKING CASH - LEAD - LAG	108.4	107.4
WORKING CASH - W / H EMPLOYEES	(4.5)	(4.5)
WTD. AVG. DEPRECIATION RESERVE	(21,859.7)	(23,491.3)
ADVANCES FOR CONSTRUCTION	(1,673.0)	(1,600.1)
CONTRIBUTIONS	(4,584.3)	(4,583.4)
AMORTIZATION OF INTANG.	(16.9)	(22.4)
DEFERRED TAXES	(6,604.3)	(6,846.9)
UNAMORT. I.T.C.	(162.3)	(155.2)
PRORATED G.O. RATE BASE	1,288.7	1,325.6
TAXES ON ADVANCES	115.8	74.0
TAXES ON C.I.A.C.	231.6	224.5
WTG. AVG. RATE BASE	\$38,897.4	\$38,880.0
<u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	1,457.8	1,556.3
AD VALOREM TAXES	393.7	427.0
NET OPERATING REVENUE	3,314.0	3,328.1
INCOME TAXES	1,419.7	1,409.5

CALIFORNIA WATER SERVICE CO.
DOMINGUEZ-SOUTH BAY DISTRICT

ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
RATE BASE		
WTD. AVG. PLANT IN SERVICE	\$103,197.5	\$104,987.6
MATERIALS AND SUPPLIES	70.6	70.6
WORKING CASH - LEAD - LAG	(966.2)	(953.2)
WORKING CASH - W / H EMPLOYEES	(7.1)	(7.1)
WTD. AVG. DEPRECIATION RESERVE	(33,822.8)	(36,051.2)
ADVANCES FOR CONSTRUCTION	(3,165.8)	(3,052.3)
CONTRIBUTIONS	(10,318.1)	(10,167.3)
AMORTIZATION OF INTANG.	(1.8)	(1.8)
DEFERRED TAXES	(3,593.9)	(3,587.0)
UNAMORT. I.T.C.	(195.0)	(188.8)
PRORATED G.O. RATE BASE	2,054.4	2,113.1
TAXES ON ADVANCES	3.3	3.6
TAXES ON C.I.A.C.	91.8	92.3
WTG. AVG. RATE BASE	\$53,346.9	\$53,258.5
<u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	2,128.5	2,168.7
AD VALOREM TAXES	652.9	649.0
NET OPERATING REVENUE	4,545.1	4,560.0
INCOME TAXES	2,293.5	2,263.6

CALIFORNIA WATER SERVICE CO.
HERMOSA-REDONDO DISTRICT

ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
<u>RATE BASE</u>		
WTD. AVG. PLANT IN SERVICE	\$52,510.0	\$53,964.7
MATERIALS AND SUPPLIES	43.8	43.8
WORKING CASH - LEAD - LAG	(152.6)	(138.0)
WORKING CASH - W / H EMPLOYEES	(4.4)	(4.4)
WTD. AVG. DEPRECIATION RESERVE	(18,725.5)	(19,794.1)
ADVANCES FOR CONSTRUCTION	(445.8)	(445.8)
CONTRIBUTIONS	(1,989.0)	(1,965.4)
AMORTIZATION OF INTANG.	(76.9)	(87.0)
DEFERRED TAXES	(3,691.9)	(3,820.5)
UNAMORT. I.T.C.	(118.5)	(113.3)
PRORATED G.O. RATE BASE	1,272.1	1,308.4
TAXES ON ADVANCES	25.8	18.1
TAXES ON C.I.A.C.	133.7	121.7
WTG. AVG. RATE BASE	\$28,780.8	\$29,088.2

RATE BASE-RELATED COMPONENTS

DEPRECIATION EXPENSE	1,208.3	1,284.7
AD VALOREM TAXES	245.6	253.6
NET OPERATING REVENUE	2,452.1	2,489.9
INCOME TAXES	1,076.4	1,071.2

CALIFORNIA WATER SERVICE CO.
KERN RIVER VALLEY DISTRICT

ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
<u>RATE BASE</u>		
WTD. AVG. PLANT IN SERVICE	\$12,600.0	\$13,489.1
MATERIALS AND SUPPLIES	1.4	1.4
WORKING CASH - LEAD - LAG	24.5	25.7
WORKING CASH - W / H EMPLOYEES	(0.9)	(0.9)
WTD. AVG. DEPRECIATION RESERVE	(3,992.3)	(4,510.9)
ADVANCES FOR CONSTRUCTION	(22.4)	(21.4)
CONTRIBUTIONS	(466.6)	(464.8)
AMORTIZATION OF INTANG.	(0.8)	(0.8)
DEFERRED TAXES	(687.5)	(715.5)
UNAMORT. I.T.C.	(31.1)	(30.1)
PRORATED G.O. RATE BASE	273.4	281.3
TAXES ON ADVANCES	0.0	0.0
TAXES ON C.I.A.C.	0.9	1.0
WTG. AVG. RATE BASE	\$7,698.6	\$8,054.1
<u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	383.4	403.1
AD VALOREM TAXES	103.4	106.5
NET OPERATING REVENUE	655.9	689.5
INCOME TAXES	426.1	420.7

CALIFORNIA WATER SERVICE CO.
MARYSVILLE DISTRICT

ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
RATE BASE		
WTD. AVG. PLANT IN SERVICE	\$8,811.6	\$9,004.7
MATERIALS AND SUPPLIES	37.5	37.5
WORKING CASH - LEAD - LAG	(72.6)	(73.2)
WORKING CASH - W / H EMPLOYEES	(0.7)	(0.7)
WTD. AVG. DEPRECIATION RESERVE	(2,924.3)	(3,221.9)
ADVANCES FOR CONSTRUCTION	(261.7)	(261.7)
CONTRIBUTIONS	(495.2)	(477.3)
AMORTIZATION OF INTANG.	(16.7)	(16.7)
DEFERRED TAXES	(660.3)	(658.2)
UNAMORT. I.T.C.	(23.6)	(22.6)
PRORATED G.O. RATE BASE	197.3	202.9
TAXES ON ADVANCES	26.3	25.3
TAXES ON C.I.A.C.	60.9	55.7
WTG. AVG. RATE BASE	\$4,678.5	\$4,593.8
<u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	285.8	296.3
AD VALOREM TAXES	38.7	42.4
NET OPERATING REVENUE	398.6	393.2
INCOME TAXES	193.1	183.6

CALIFORNIA WATER SERVICE CO.
PALOS VERDES DISTRICT

ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
RATE BASE		
WTD. AVG. PLANT IN SERVICE	\$57,374.3	\$58,377.8
MATERIALS AND SUPPLIES	210.3	210.3
WORKING CASH - LEAD - LAG	(493.8)	(471.1)
WORKING CASH - W / H EMPLOYEES	(5.2)	(5.2)
WTD. AVG. DEPRECIATION RESERVE	(25,468.2)	(26,513.7)
ADVANCES FOR CONSTRUCTION	(2,342.8)	(2,524.9)
CONTRIBUTIONS	(1,519.2)	(1,527.1)
AMORTIZATION OF INTANG.	(1.2)	(1.2)
DEFERRED TAXES	(4,197.8)	(4,311.6)
UNAMORT. I.T.C.	(209.8)	(200.8)
PRORATED G.O. RATE BASE	1,507.5	1,550.7
TAXES ON ADVANCES	151.1	134.8
TAXES ON C.I.A.C.	47.7	41.5
WTG. AVG. RATE BASE	\$25,052.9	\$24,759.5
 <u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	1,199.0	1,225.5
AD VALOREM TAXES	244.5	248.8
NET OPERATING REVENUE	2,134.5	2,119.4
INCOME TAXES	1,058.8	989.2

CALIFORNIA WATER SERVICE CO.
 REDWOOD VALLEY DISTRICT
 COAST SPRINGS TARIFF AREA
 ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
 (DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
RATE BASE		
WTD. AVG. PLANT IN SERVICE	\$670.3	\$706.4
MATERIALS AND SUPPLIES	0.0	0.0
WORKING CASH - LEAD - LAG	13.4	13.4
WORKING CASH - W / H EMPLOYEES	(0.1)	(0.1)
WTD. AVG. DEPRECIATION RESERVE	(163.0)	(186.4)
ADVANCES FOR CONSTRUCTION	0.0	0.0
CONTRIBUTIONS	0.1	0.1
AMORTIZATION OF INTANG.	(0.4)	(0.8)
DEFERRED TAXES	(31.4)	(36.5)
UNAMORT. I.T.C.	0.0	0.0
PRORATED G.O. RATE BASE	16.7	17.2
TAXES ON ADVANCES	0.0	0.0
TAXES ON C.I.A.C.	0.0	0.0
WTG. AVG. RATE BASE	\$505.6	\$513.3
<u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	22.0	23.8
AD VALOREM TAXES	1.9	3.0
NET OPERATING REVENUE	43.0	43.9
INCOME TAXES	21.2	16.8

CALIFORNIA WATER SERVICE CO.
REDWOOD VALLEY DISTRICT
LUCERNE TARIFF AREA
ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
RATE BASE		
WTD. AVG. PLANT IN SERVICE	\$4,190.5	\$4,471.1
MATERIALS AND SUPPLIES	0.0	0.0
WORKING CASH - LEAD - LAG	65.9	67.0
WORKING CASH - W / H EMPLOYEES	(0.3)	(0.3)
WTD. AVG. DEPRECIATION RESERVE	(835.6)	(926.0)
ADVANCES FOR CONSTRUCTION	0.0	0.0
CONTRIBUTIONS	(5.8)	(6.2)
AMORTIZATION OF INTANG.	(1.4)	(2.5)
DEFERRED TAXES	(285.0)	(298.0)
UNAMORT. I.T.C.	0.0	0.0
PRORATED G.O. RATE BASE	88.0	90.5
TAXES ON ADVANCES	0.0	0.0
TAXES ON C.I.A.C.	0.0	0.0
WTG. AVG. RATE BASE	\$3,216.3	\$3,395.6
<u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	73.5	81.5
AD VALOREM TAXES	15.6	17.2
NET OPERATING REVENUE	274.0	290.7
INCOME TAXES	141.8	124.0

CALIFORNIA WATER SERVICE CO.
REDWOOD VALLEY DISTRICT
REDWOOD UNIFIED TARIFF AREA
ADOPTED RATE BASE AND RATE BASE RELATED COMPONENTS
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>	<u>2007-2008</u>
<u>RATE BASE</u>		
WTD. AVG. PLANT IN SERVICE	\$1,737.4	\$1,814.6
MATERIALS AND SUPPLIES	0.0	0.0
WORKING CASH - LEAD - LAG	40.3	40.8
WORKING CASH - W / H EMPLOYEES	(0.1)	(0.1)
WTD. AVG. DEPRECIATION RESERVE	(267.3)	(342.4)
ADVANCES FOR CONSTRUCTION	0.0	0.0
CONTRIBUTIONS	(11.5)	(12.7)
AMORTIZATION OF INTANG.	(0.4)	(0.6)
DEFERRED TAXES	(204.5)	(216.3)
UNAMORT. I.T.C.	0.0	0.0
PRORATED G.O. RATE BASE	35.7	36.7
TAXES ON ADVANCES	0.0	0.0
TAXES ON C.I.A.C.	0.0	0.0
WTG. AVG. RATE BASE	\$1,329.6	\$1,320.0
<u>RATE BASE-RELATED COMPONENTS</u>		
DEPRECIATION EXPENSE	57.9	66.3
AD VALOREM TAXES	6.0	8.0
NET OPERATING REVENUE	113.3	113.0
INCOME TAXES	59.7	51.6

APPENDIX C

AUTHORIZED RATES, TEST YEAR 2006/2007

California Water Service Company
Antelope Valley District

Schedule No. AV-R-1

Antelope Valley Tariff Area
(Leona Valley, Lake Hughes, and Fremont Valley Service Areas)

General Metered Service

APPLICABILITY

Applicable to all metered water service

TERRITORY

A portion of the community of Leona Valley and vicinity, Los Angeles County; Lake Hughes and Vicinity, Los Angeles County; and Fremont Valley and vicinity, Kern County

RATES

Quantity Rates:

Per 100 cu. ft.	\$2.3773	(I)
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Service Charge

For	5/8 x 3/4-inch meter	\$25.00	(I)
For	3/4-inch meter	37.50	
For	1-inch meter	62.50	
For	1-1/2-inch meter	125.00	
For	2-inch meter	200.00	
For	3-inch meter	375.00	
For	4-inch meter	625.00	
For	6-inch meter	1,250.00	
For	8-inch meter	2,000.00	
For	10-inch meter	2,875.00	
For	12-inch meter	4,125.00	
For	14-inch meter	5,625.00	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. Qualifying low-income customers are eligible for credits as shown on Schedule RSF.
2. Customers in the Fremont Valley service area (ZIP Code 93501) are eligible for credits as shown on Schedule RSF.
3. All bills are subject to the surcharge shown on Schedule RSF except bills to customers enrolled in the low-income RSF program.

California Water Service Company
Antelope Valley District

Schedule No. AV-U-1

Antelope Valley Tariff Area
(Lancaster Service Area)General Metered ServiceAPPLICABILITY

Applicable to all metered water service

TERRITORY

A portion of the community of Lancaster and vicinity, Los Angeles County

RATES

Quantity Rates:

Per 100 cu. ft.	\$1.4408	(I)
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Service Charge

For	5/8 x 3/4-inch meter	\$25.00	(I)
For	3/4-inch meter	37.50	
For	1-inch meter	62.50	
For	1-1/2-inch meter	125.00	
For	2-inch meter	200.00	
For	3-inch meter	375.00	
For	4-inch meter	625.00	
For	6-inch meter	1,250.00	
For	8-inch meter	2,000.00	
For	10-inch meter	2,875.00	
For	12-inch meter	4,125.00	
For	14-inch meter	5,625.00	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. Qualifying low-income customers are eligible for credits as shown on Schedule RSF.
2. All bills are subject to the surcharge shown on Schedule RSF except bills to customers enrolled in the low-income RSF program.

California Water Service Company
Antelope Valley District

Schedule No. AV-LH-2R

Antelope Valley Tariff Area
(Lake Hughes Service Area)
Limited Residential Flat Rate ServiceAPPLICABILITY

Applicable to limited flat rate residential water service

TERRITORY

A portion of the community of Lake Hughes and Vicinity, Los Angeles County

RATESPer Service Connection
per Month

For a single-family residential unit, including premises

\$34.24

(I)

SPECIAL CONDITIONS

1. All bills are subject to the reimbursement fee set forth on Schedule No. UF.
2. This service is limited to customers being provided service as of November 22, 1999.
3. If the company so elects, a meter may be installed and service provided under Schedule AV-R-1, General Metered Service.
4. Qualifying low-income customers are eligible for credits as shown on Schedule RSF.
5. All bills are subject to the surcharge shown on Schedule RSF except bills to customers enrolled in the low-income RSF program.

California Water Service Company
Antelope Valley District

Schedule No. AV-4

Antelope Valley Tariff AreaPrivate Fire Protection ServiceAPPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORY

A portion of the community of Leona Valley and vicinity, Lake Hughes and vicinity, and Lancaster and vicinity, Los Angeles County; portions of Fremont Valley and vicinity, Kern County

RATESPer Month

For	1-1/2-inch service	9.75	(I)
For	2-inch service	13.00	
For	3-inch service	19.50	
For	4-inch service	26.00	
For	6-inch service	39.00	
For	8-inch service	52.00	
For	10-inch service	65.00	
For	12-inch service	78.00	
For	14-inch service	91.00	(I)

California Water Service Company
Bear Gulch District

Schedule No. BG-1

Bear Gulch Tariff AreaGeneral Metered ServiceAPPLICABILITY

Applicable to all metered water service

TERRITORY

Portions of the communities of Atherton, Menlo Park, Portola Valley, Woodside, and vicinity, San Mateo County

RATES

Quantity Rates:

Per 100 cu. ft.	\$2.4826	(I)
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Service Charge

For	5/8 x 3/4-inch meter	\$12.95	(I)
For	3/4-inch meter	\$19.43	
For	1-inch meter	\$25.17	
For	1-1/2-inch meter	\$37.18	
For	2-inch meter	\$56.30	
For	3-inch meter	\$121.09	
For	4-inch meter	\$212.44	
For	6-inch meter	\$366.46	
For	8-inch meter	\$1,036.00	
For	10-inch meter	\$1,489.25	
For	12-inch meter	\$2,136.75	
For	14-inch meter	\$2,913.75	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Bear Gulch District

Schedule No. BG-4

Bear Gulch Tariff AreaPrivate Fire Protection ServiceAPPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORYPortions of the communities of Atherton, Menlo Park, Portola Valley, Woodside,
and vicinity, San Mateo CountyRATESPer Month

For	1-1/2-inch service	9.75	(I)
For	2-inch service	13.00	
For	3-inch service	19.50	
For	4-inch service	26.00	
For	6-inch service	39.00	
For	8-inch service	52.00	
For	10-inch service	65.00	
For	12-inch service	78.00	
For	14-inch service	91.00	(I)

California Water Service Company
Dominguez-South Bay District

Schedule No. DOM-1

Dominguez Tariff AreaGeneral Metered ServiceAPPLICABILITY

Applicable to all metered potable water service

TERRITORY

Portions of Carson, Los Angeles, Long Beach, Torrance, and vicinity, Los Angeles County

RATES

Quantity Rates:

Per 100 cu. ft.	\$1.3022	(I)
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Service Charge

For	5/8 x 3/4-inch meter	\$7.15	(I)
For	3/4-inch meter	10.73	
For	1-inch meter	17.88	
For	1-1/2-inch meter	35.75	
For	2-inch meter	57.20	
For	3-inch meter	107.25	
For	4-inch meter	178.75	
For	6-inch meter	357.50	
For	8-inch meter	572.00	
For	10-inch meter	822.25	
For	12-inch meter	1,179.75	
For	14-inch meter	1,608.75	
For	16-inch meter	2,037.75	
For	18-inch meter	2,466.75	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Dominguez-South Bay District

Schedule No. DOM-RC-1

Dominguez Tariff AreaMetered Recycled Water ServiceAPPLICABILITY

Applicable to all metered recycled water service

TERRITORY

Portions of Carson, Los Angeles, Long Beach, Torrance, and vicinity, Los Angeles County

RATES

Quantity Rates:

Title 22 Water

	First 21,780 Ccf (per 100 cu.ft.)	\$0.8916	(I)
	Next 65,340 Ccf (per 100 cu.ft.)	\$0.7963	
	Over 87,120 Ccf (per 100 cu.ft.)	\$0.7011	
R.O. Water	All Water Delivered (per 100 cu.ft.)	\$1.4778	
Nitrified Water	All Water Delivered (per 100 cu.ft.)	\$0.8440	(I)

Service Charge

For	5/8 x 3/4-inch meter	\$7.15	(I)
For	3/4-inch meter	\$10.73	
For	1-inch meter	\$17.88	
For	1-1/2-inch meter	\$35.75	
For	2-inch meter	\$57.20	
For	3-inch meter	\$107.25	
For	4-inch meter	\$178.75	
For	6-inch meter	\$357.50	
For	8-inch meter	\$572.00	
For	10-inch meter	\$822.25	
For	12-inch meter	\$1,179.75	
For	14-inch meter	\$1,608.75	
For	16-inch meter	2,037.75	
For	18-inch meter	2,466.75	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Hermosa-Redondo District

Schedule No. HR-1

Hermosa-Redondo Tariff AreaGeneral Metered ServiceAPPLICABILITY

Applicable to all metered potable water service

TERRITORY

Hermosa Beach, Redondo Beach, Torrance, and Vicinity, Los Angeles County

RATES

Quantity Rates:

Per 100 cu. ft.	\$2.1720	(I)
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Service Charge

For	5/8 x 3/4-inch meter	\$7.35	(R)
For	3/4-inch meter	11.03	(R)
For	1-inch meter	17.60	(I)
For	1-1/2-inch meter	36.75	(R)
For	2-inch meter	58.80	
For	3-inch meter	110.25	
For	4-inch meter	183.75	(R)
For	6-inch meter	367.50	(I)
For	8-inch meter	556.85	(I)
For	10-inch meter	845.25	(R)
For	12-inch meter	1,212.75	
For	14-inch meter	1,653.75	(R)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Hermosa-Redondo District

Schedule No. HR-6

Hermosa-Redondo Tariff AreaMetered Recycled Water ServiceAPPLICABILITY

Applicable to all metered recycled water service

TERRITORY

Hermosa Beach, Redondo Beach, Torrance, and Vicinity, Los Angeles County

RATES

Quantity Rates:

Per 100 cu. ft.	\$1.8679	(I)
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Service Charge

For	5/8 x 3/4-inch meter	\$7.35	(R)
For	3/4-inch meter	\$11.03	(R)
For	1-inch meter	\$17.60	(I)
For	1-1/2-inch meter	\$36.75	(R)
For	2-inch meter	\$58.80	
For	3-inch meter	\$110.25	
For	4-inch meter	\$183.75	(R)
For	6-inch meter	\$367.50	(I)
For	8-inch meter	\$556.85	(I)
For	10-inch meter	\$845.25	(R)
For	12-inch meter	\$1,212.75	
For	14-inch meter	\$1,653.75	(R)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Kern River Valley Service Area

Schedule No. KRV

Kern River Valley Tariff AreaGeneral Metered ServiceAPPLICABILITY

Applicable to all metered water service where furnished on an annual basis.

TERRITORY

(Rates shown are applicable to all Kern River Valley tariff areas)

RATES

Quantity Rates:

Per 100 cu. ft.	\$3.5642	(I)
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Service Charge

Per Meter
<u>Per Month</u>

For	5/8 x 3/4-inch meter	\$24.00	(I)
For	3/4-inch meter	\$36.00	
For	1-inch meter	\$56.25	
For	1-1/2-inch meter	\$94.56	
For	2-inch meter	\$192.00	
For	3-inch meter	\$328.89	
For	4-inch meter	\$600.00	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Kern River Valley District

Schedule No. KRV-4

Kern River Valley Tariff AreaPrivate Fire Protection ServiceAPPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORY

A portion of the community of Leona Valley and vicinity, Lake Hughes and vicinity, and Lancaster and vicinity, Los Angeles County; portions of Fremont Valley and vicinity, Kern County

RATESPer Month

For	1-1/2-inch service	9.75	(I)
For	2-inch service	13.00	
For	3-inch service	19.50	
For	4-inch service	26.00	
For	6-inch service	39.00	
For	8-inch service	52.00	
For	10-inch service	65.00	
For	12-inch service	78.00	
For	14-inch service	91.00	(I)

California Water Service Company
Marysville District

Schedule No. MR-1

Marysville Tariff AreaGeneral Metered ServiceAPPLICABILITY

Applicable to all metered water service

TERRITORY

Marysville and Vicinity, Yuba County

RATES

Quantity Rates: \$0.8274 (I)

TERRITORY

Service Charge

For	5/8 x 3/4-inch meter	\$10.30	(I)
For	3/4-inch meter	15.45	
For	1-inch meter	25.75	
For	1-1/2-inch meter	51.50	
For	2-inch meter	82.40	
For	3-inch meter	154.50	
For	4-inch meter	252.92	
For	6-inch meter	373.63	
For	8-inch meter	824.00	
For	10-inch meter	1,184.50	
For	12-inch meter	1,699.50	
For	14-inch meter	2,317.50	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Marysville District

Schedule No. MR-2R

Marysville Tariff AreaResidential Flat Rate ServiceAPPLICABILITY

Applicable to all flat rate residential water service.

TERRITORY

Marysville and vicinity, Yuba County

TERRITORY

having the following areas:

6,000 sq. ft., or less	\$33.07	(I)
6,001 to 10,000 sq. ft.	\$39.90	
10,001 to 16,000 sq. ft.	\$49.19	
16,001 to 25,000 sq. ft.	\$62.47	
For each additional single-family residential unit on the same premises and served from the same service connection	\$23.62	(I)

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Marysville District

Schedule No. MR-4

Marysville Tariff AreaPrivate Fire Protection ServiceAPPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORY

Marysville and vicinity, Yuba County

TERRITORYRATESPer Month

For	1-1/2-inch service	9.75	(I)
For	2-inch service	13.00	
For	3-inch service	19.50	
For	4-inch service	26.00	
For	6-inch service	39.00	
For	8-inch service	52.00	
For	10-inch service	65.00	
For	12-inch service	78.00	
For	14-inch service	91.00	(I)

California Water Service Company
Palos Verdes District

Schedule No. PV-1

Palos Verdes Tariff AreaGeneral Metered ServiceAPPLICABILITY

Applicable to all metered potable water service

TERRITORYPalos Verdes Estates, Rolling Hills, Rolling Hills Estates, Lomita, Rancho Palos Verdes, and vicinity,
Los Angeles CountyRATES

Quantity Rates:

Per 100 cu. ft.	\$2.2924	(I)
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Service Charge

For	5/8 x 3/4-inch meter	\$10.50	(I)
For	3/4-inch meter	15.75	
For	1-inch meter	24.02	
For	1-1/2-inch meter	41.87	
For	2-inch meter	53.22	
For	3-inch meter	99.82	
For	4-inch meter	163.28	
For	6-inch meter	301.12	
For	8-inch meter	471.78	
For	10-inch meter	797.58	
For	12-inch meter	1,732.50	
For	14-inch meter	2,362.50	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Palos Verdes District

Schedule No. PV-6

Palos Verdes Tariff AreaMetered Recycled Water ServiceAPPLICABILITY

Applicable to all metered recycled water service

TERRITORYPalos Verdes Estates, Rolling Hills, Rolling Hills Estates, Lomita, Rancho Palos Verdes, and vicinity,
Los Angeles CountyRATES

Quantity Rates:

Per 100 cu. ft.	\$1.7698	(I)
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Service Charge

For	5/8 x 3/4-inch meter	\$10.50	(I)
For	3/4-inch meter	\$15.75	
For	1-inch meter	\$24.02	
For	1-1/2-inch meter	\$41.87	
For	2-inch meter	\$53.22	
For	3-inch meter	\$99.82	
For	4-inch meter	\$163.28	
For	6-inch meter	\$301.12	
For	8-inch meter	\$471.78	
For	10-inch meter	\$797.58	
For	12-inch meter	\$1,732.50	
For	14-inch meter	\$2,362.50	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. All bills are subject to the surcharge shown on Schedule RSF.

California Water Service Company
Palos Verdes District

Schedule No. PV-4

Palos Verdes Tariff AreaPrivate Fire Protection ServiceAPPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORYPalos Verdes Estates, Rolling Hills, Rolling Hills Estates, Lomita, Rancho Palos Verdes, and vicinity,
Los Angeles CountyTERRITORYRATESPer Month

For	1-1/2-inch service	9.75	(I)
For	2-inch service	13.00	
For	3-inch service	19.50	
For	4-inch service	26.00	
For	6-inch service	39.00	
For	8-inch service	52.00	
For	10-inch service	65.00	
For	12-inch service	78.00	
For	14-inch service	91.00	(I)

California Water Service Company
Coast Springs Service Area

Schedule No. RV-CS-1

Redwood Valley Tariff Area
(Coast Springs Division)General Metered ServiceAPPLICABILITY

Applicable to all metered water service where furnished on an annual basis.

TERRITORY

Dillon Beach and vicinity, located approximately 4 miles west of Tomales, Marin County

RATES

Quantity Rates:

Per 100 cu. ft.	\$14.0238	(I)
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Service Charge

Per Meter
<u>Per Month</u>

For	5/8 x 3/4-inch meter	\$28.00	(I)
For	3/4-inch meter	\$42.00	
For	1-inch meter	\$30.50	
For	1-1/2-inch meter	\$70.00	
For	2-inch meter	\$140.00	
For	3-inch meter	\$224.00	
For	4-inch meter	\$420.00	
For	6-inch meter	\$700.00	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. Qualifying low-income customers are eligible for credits as shown on Schedule RSF.
2. All bills are subject to credits as shown on Schedule RSF.
3. All bills are subject to the surcharge shown on Schedule RSF except bills to customers enrolled in the low-income RSF program.

California Water Service Company
Lucerne Service Area

Schedule No. RV-LU-1

Redwood Valley Tariff Area
(Lucerne Division)General Metered ServiceAPPLICABILITY

Applicable to all metered water service where furnished on an annual basis.

TERRITORY

Lucerne and vicinity, Lake County

RATES

Quantity Rates:

Per 100 cu. ft.	\$5.1628	(I)
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Service Charge

Per Meter
<u>Per Month</u>

For	5/8 x 3/4-inch meter	\$30.90	(I)
For	3/4-inch meter	\$46.35	
For	1-inch meter	\$77.25	
For	1-1/2-inch meter	\$154.50	
For	2-inch meter	\$247.20	
For	3-inch meter	\$463.50	
For	4-inch meter	\$772.50	
For	6-inch meter	\$1,545.00	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. Qualifying low-income customers are eligible for credits as shown on Schedule RSF.
2. All bills are subject to credits as shown on Schedule RSF.
3. All bills are subject to the surcharge shown on Schedule RSF except bills to customers enrolled in the low-income RSF program.

California Water Service Company
Lucerne Rate Area, Redwood Valley District

Schedule No. RV-LU-4

Redwood Valley Tariff Area
(Lucerne Division)
Private Fire Protection ServiceAPPLICABILITY

Applicable to all water service furnished for privately owned fire protection systems.

TERRITORY

Lucerne and vicinity, Lake County

RATESPer Month

For	1-1/2-inch service	9.75	(I)
For	2-inch service	13.00	
For	3-inch service	19.50	
For	4-inch service	26.00	
For	6-inch service	39.00	
For	8-inch service	52.00	
For	10-inch service	65.00	
For	12-inch service	78.00	
For	14-inch service	91.00	(I)

California Water Service Company
Redwood Unified Tariff Area

Schedule No. RV-UN-1

Redwood Valley Tariff Area
(Redwood Unified Division)General Metered ServiceAPPLICABILITY

Applicable to all metered water service where furnished on an annual basis.

TERRITORYRATES

Quantity Rates:			
Per 100 cu. ft.	\$6.5784	(I)
Service Charge		<u>Per Meter</u> <u>Per Month</u>	
For	5/8 x 3/4-inch meter	\$43.75	(I)
For	3/4-inch meter	\$65.63	
For	1-inch meter	\$109.38	
For	1-1/2-inch meter	\$218.75	
For	2-inch meter	\$350.00	
For	3-inch meter	\$656.25	
For	4-inch meter	\$1,093.75	(I)

The Service Charge is a readiness-to-serve charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rate.

SPECIAL CONDITIONS

1. Qualifying low-income customers are eligible for credits as shown on Schedule RSF.
2. All bills are subject to credits as shown on Schedule RSF.
3. All bills are subject to the surcharge shown on Schedule RSF except bills to customers enrolled in the low-income RSF program.

Schedule No. RSF

All Tariff AreasRATE SUPPORT FUNDAPPLICABILITY

Applicable to all water service except that provided for private fire protection service.

TERRITORY

All territories served.

QUANTITY RATE SURCHARGE

All water sold, Per 100 cu. ft. \$ 0.009

APPLICABILITY

Applicable to all metered customers except those participating in the RSF low-income support program shown below.

FLAT RATE SURCHARGE

Per Service Per Month:

Bakersfield District	\$0.36
Chico District	\$0.22
Marysville District	\$0.22
Oroville District	\$0.24
Selma District	\$0.35
Visalia District	\$0.22
Willows District	\$0.29

APPLICABILITY

Applicable to all residential flat rate customers except those participating in the RSF low-income support program shown below.

RATE SUPPORT FUND GENERAL SUPPORT SURCREDITCredit Per Service Per Month:

Antelope Valley District, Fremont Valley Service Area	\$ 8.50
Kern River Valley District	\$20.00
Redwood Valley District, Lucerne Tariff Area	\$17.00

Credit per 100 cu. ft.:

Redwood Valley District, Coast Springs Tariff Area	\$6.05
Redwood Valley District, Redwood Unified Tariff Area	\$1.76

RATE SUPPORT FUND LOW-INCOME SUPPORT SURCREDIT

Credit Per Service Per Month: \$10.00

APPLICABILITY

Applicable to all customers in the Antelope Valley, Kern River Valley, and Redwood Valley Districts who demonstrate they are CARE-eligible by presenting proof of enrollment in CARE, or by showing they meet eligibility requirements.

SPECIAL CONDITIONS

1. All surcharges and credits under this tariff shall be separately identified on customer bills.
2. In no instance should the total amount of the combined (general rate assistance plus low-income) subsidy received by a customer in any month exceed that customer's water bill for service received in that month.

APPENDIX D
BILL COMPARISONS

California Water Service Company
Antelope Valley District Bill Comparison *

Lancaster Rate Area**2006-2007 Rates**

Usage Ccf		Present Rates	Adopted Rates	Increase Amount	Percent Increase
0		\$ 20.09	\$ 25.00	\$ 4.91	24.44%
10		\$ 30.47	\$ 39.41	\$ 8.94	29.34%
20		\$ 40.86	\$ 53.82	\$ 12.96	31.72%
30		\$ 51.24	\$ 68.22	\$ 16.98	33.14%
40	Avg	\$ 61.62	\$ 82.63	\$ 21.01	34.10%
50		\$ 72.01	\$ 97.04	\$ 25.03	34.76%

Lake Hughes, Leona Valley, and Fremont Valley**2006-2007 Rates**

Usage Ccf		Present Rates	Adopted Rates	Increase Amount	Percent Increase
0		\$ 20.09	\$ 25.00	\$ 4.91	24.44%
10		\$ 37.52	\$ 48.77	\$ 11.25	29.98%
20		\$ 54.94	\$ 72.55	\$ 17.61	32.05%
27	Avg	\$ 67.14	\$ 89.19	\$ 22.05	32.84%
30		\$ 72.37	\$ 96.32	\$ 23.95	33.09%
50		\$ 107.22	\$ 143.87	\$ 36.65	34.18%

Fremont Valley Shown including General RSF Credit**2006-2007 Rates**

Usage Ccf		Present Rates	Adopted Rates	Increase Amount	Percent Increase
0		\$ 20.09	\$ 16.50	\$ -3.59	-17.87%
10		\$ 37.52	\$ 40.27	\$ 2.75	7.33%
20		\$ 54.94	\$ 64.05	\$ 9.11	16.58%
27	Avg	\$ 67.14	\$ 80.69	\$ 13.55	20.18%
30		\$ 72.37	\$ 87.82	\$ 15.45	21.35%
50		\$ 107.22	\$ 135.37	\$ 28.15	26.25%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

California Water Service Company
Bear Gulch District Bill Comparison *

2006-2007 Rates				
Usage Ccf	Present Rates	Adopted Rates	Increase Amount	Percent Increase
0	\$ 12.55	\$ 12.95	\$ 0.40	3.19%
10	\$ 37.06	\$ 37.78	\$ 0.72	1.94%
20	\$ 61.57	\$ 62.60	\$ 1.03	1.67%
30	\$ 86.08	\$ 87.43	\$ 1.35	1.57%
28 Avg	\$ 81.18	\$ 82.46	\$ 1.28	1.58%
50	\$ 135.11	\$ 137.08	\$ 1.97	1.46%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

California Water Service Company
Dominguez-South Bay District Bill Comparison *

2006-2007 Rates				
Usage Ccf	Present Rates	Adopted Rates	Increase Amount	Percent Increase
0	\$ 6.85	\$ 7.15	\$ 0.30	4.38%
5	\$ 14.44	\$ 14.97	\$ 0.53	3.67%
10	\$ 22.02	\$ 22.78	\$ 0.76	3.45%
15	\$ 29.61	\$ 30.60	\$ 0.99	3.34%
16 Avg	\$ 31.13	\$ 32.16	\$ 1.03	3.31%
20	\$ 37.20	\$ 38.41	\$ 1.21	3.25%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

California Water Service Company
Hermosa-Redondo District Bill Comparison *

2006-2007 Rates					
Usage		Present	Adopted	Increase	Percent
Ccf		Rates	Rates	Amount	Increase
0		\$ 7.80	\$ 7.35	\$ -0.45	-5.77%
5		\$ 18.34	\$ 18.21	\$ -0.13	-0.71%
10		\$ 28.88	\$ 29.07	\$ 0.19	0.66%
13	Avg	\$ 35.20	\$ 35.59	\$ 0.39	1.11%
15		\$ 39.42	\$ 39.93	\$ 0.51	1.29%
20		\$ 49.96	\$ 50.79	\$ 0.83	1.66%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

California Water Service Company
Kern River Valley District Bill Comparison *

2006-2007 Rates					
Usage		Present	Adopted	Increase	Percent
Ccf		Rates	Rates	Amount	Increase
0		\$ 19.17	\$ 24.00	\$ 4.83	25.20%
5		\$ 32.47	\$ 41.82	\$ 9.35	28.80%
10		\$ 45.76	\$ 59.64	\$ 13.88	30.33%
11	Avg	\$ 48.42	\$ 63.21	\$ 14.79	30.55%
15		\$ 59.06	\$ 77.46	\$ 18.40	31.15%
20		\$ 72.35	\$ 95.28	\$ 22.93	31.69%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

California Water Service Company
Marysville District Bill Comparison *

2006-2007 Rates				
Usage Ccf	Present Rates	Adopted Rates	Increase Amount	Percent Increase
0	\$ 9.90	\$ 10.30	\$ 0.40	4.04%
5	\$ 13.76	\$ 14.44	\$ 0.68	4.94%
10	\$ 17.62	\$ 18.57	\$ 0.95	5.39%
15	\$ 21.47	\$ 22.71	\$ 1.24	5.78%
17 Avg	\$ 23.02	\$ 24.37	\$ 1.35	5.86%
20	\$ 25.33	\$ 26.85	\$ 1.52	6.00%

Flat Rates				
6,000 sq. ft. or less	\$ 22.50	\$ 23.62	\$ 1.12	4.98%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

California Water Service Company
Palos Verdes District Bill Comparison *

2006-2007 Rates				
Usage Ccf	Present Rates	Adopted Rates	Increase Amount	Percent Increase
0	\$ 9.65	\$ 10.50	\$ 0.85	8.81%
10	\$ 32.09	\$ 33.42	\$ 1.33	4.14%
15	\$ 43.31	\$ 44.89	\$ 1.58	3.65%
20	\$ 54.52	\$ 56.35	\$ 1.83	3.36%
28 Avg	\$ 72.47	\$ 74.69	\$ 2.22	3.06%
40	\$ 99.40	\$ 102.20	\$ 2.80	2.82%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

California Water Service Company
Redwood Valley District, Coast Springs Rate Area Bill Comparison *

2006-2007 Rates					
Usage		Present	Adopted	Increase	Percent
Ccf		Rates	Rates	Amount	Increase
0		\$ 13.32	\$ 28.00	\$ 14.68	110.21%
1		\$ 18.09	\$ 42.02	\$ 23.93	132.28%
2	Avg	\$ 22.86	\$ 56.05	\$ 33.19	145.19%
5		\$ 37.17	\$ 98.12	\$ 60.95	163.98%
8		\$ 51.48	\$ 140.19	\$ 88.71	172.32%
15		\$ 84.88	\$ 238.36	\$ 153.48	180.82%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

Rates Shown below including Rate Support Fund Credit

2006-2007 Rates					
Usage Ccf		Present Rates	Adopted Rates	Increase Amount	Percent Increase
0		\$ 13.32	\$ 28.00	\$ 14.68	110.21%
1		\$ 18.09	\$ 35.97	\$ 17.88	98.84%
2	Avg	\$ 22.86	\$ 43.95	\$ 21.09	92.26%
5		\$ 37.17	\$ 67.87	\$ 30.70	82.59%
8		\$ 51.48	\$ 91.79	\$ 40.31	78.30%
15		\$ 84.88	\$ 147.61	\$ 62.73	73.90%

California Water Service Company
Lucerne Service Area

2006-2007 Rates					
Usage		Present	Adopted	Increase	Percent
Ccf		Rates	Rates	Amount	Increase
0		\$ 14.64	\$ 30.90	\$ 16.26	111.07%
5		\$ 25.87	\$ 56.71	\$ 30.84	119.21%
7	Avg	\$ 30.36	\$ 67.04	\$ 36.68	120.82%
10		\$ 37.10	\$ 82.53	\$ 45.43	122.45%
15		\$ 48.33	\$ 108.34	\$ 60.01	124.17%
20		\$ 59.55	\$ 134.16	\$ 74.61	125.29%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

Rates Shown Below Including Rate Support Fund Credit

2006-2007 Rates					
Usage		Present	Adopted	Increase	Percent
Ccf		Rates	Rates	Amount	Increase
0		\$ 14.64	\$ 13.90	\$ -0.74	-5.05%
5		\$ 25.87	\$ 39.71	\$ 13.84	53.50%
7	Avg	\$ 30.36	\$ 50.04	\$ 19.68	64.82%
10		\$ 37.10	\$ 65.53	\$ 28.43	76.63%
15		\$ 48.33	\$ 91.34	\$ 43.01	88.99%
20		\$ 59.55	\$ 117.16	\$ 57.61	96.74%

California Water Service Company
Redwood Valley District, Redwood Unified Rate Area Comparison *

2006-2007 Rates					
Usage		Present	Adopted	Increase	Percent
Ccf		Rates	Rates	Amount	Increase
0		\$ 24.02	\$ 43.75	\$ 19.73	82.14%
5		\$ 42.47	\$ 76.64	\$ 34.17	80.46%
8	Avg	\$ 53.54	\$ 96.38	\$ 42.84	80.01%
10		\$ 60.92	\$ 109.53	\$ 48.61	79.79%
15		\$ 79.36	\$ 142.43	\$ 63.07	79.47%
20		\$ 97.81	\$ 175.32	\$ 77.51	79.25%

* Metered comparison based on 5/8 x 3/4 inch service

Note: Rates do not include CPUC fees or other surcharges that may appear on customers bills.

Rates Shown Below Including Rate Support Fund Credit

2006-2007 Rates					
Usage		Present	Adopted	Increase	Percent
Ccf		Rates	Rates	Amount	Increase
0		\$ 24.02	\$ 43.75	\$ 19.73	82.14%
5		\$ 42.47	\$ 67.84	\$ 25.37	59.74%
8	Avg	\$ 53.54	\$ 82.30	\$ 28.76	53.72%
10		\$ 60.92	\$ 91.93	\$ 31.01	50.90%
15		\$ 79.36	\$ 116.03	\$ 36.67	46.21%
20		\$ 97.81	\$ 140.12	\$ 42.31	43.26%

APPENDIX E

ADOPTED QUANTITIES AND CALCULATIONS

California Water Service Company
Antelope Valley District

Adopted Quantities

Number of Services by meter size:	2006-2007
5/8 x 3/4	1,099
3/4	46
1	199
1 1/2	8
2	7
3	1
4	-
6	-
8	-
10	-
TOTAL	1,359

Metered Sales, KCcf	
Potable	560.4

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	1,291	520.4	33.6
Business	43	23.9	46.9
Multi-family	8	2.0	20.8
Industrial	-	-	-
Public Authority	12	13.4	93.0
Other	2	0.8	32.9
Sub-Total	1,355	560.4	
Residential Flat	-	-	
Private Fire Prot.	7		
Public Fire Prot.	-		
TOTAL	1,362	560.4	
Losses, 8.00%		48.7	
Total Production		609.2	

CALIFORNIA WATER SERVICE COMPANY
ANTELOPE VALLEY DISTRICTADOPTED QUANTITIES

	<u>2006-7</u>
	(DOLLARS IN THOUSANDS)
PURCHASED POWER	
Average Cost Per kWh (SCE Rates Effective 8/5/04)	\$0.0975
Kilowatt-hours per KCcf	1943.1
Production, KCcf	609.1
Total Power Cost	\$115,354
PURCHASED WATER	
Antelope Valley East Kern Water District	
Purchased Quantity (AF)	750
Cost per AF	\$220.00
Total Purchased Water Cost	\$165,000
Net-to-Gross Multiplier	
UNCOLLECTABLES RATE	0.21436%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.78684

CALIFORNIA WATER SERVICE CO.
ANTELOPE VALLEY DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)2006-2007

OPERATING REVENUE (PRESENT RATES)	1,184.8
EXPENSES	
PURCHASED WATER	165.0
PURCHASED POWER	115.4
PUMP TAXES	0.0
CHEMICALS	4.0
PAYROLL	184.8
OTHER O & M	239.0
OTHER A & G	18.9
G.O. PRORATIONS	94.8
PAYROLL TAXES	17.3
AD VALOREM TAXES	28.4
UNCOLLECTIBLES	2.5
FRANCHISE TAX & BUS LIC. FEES	1.6
TRANSPORTATION DEPRECIATION ADJUSTMENT	(49.8)
INTEREST EXPENSE	113.1
TOTAL DEDUCTIONS	935.0
STATE INCOME TAX	
STATE TAX DEPRECIATION	192.9
NET STATE TAXIBLE INCOME	57.0
STATE CORP. FRANCHISE TAX @ 8.84%	5.0
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	126.8
STATE INCOME TAX	7.5
LESS PREFERRED STOCK DIVIDEND	0.3
NET FEDERAL TAXIBLE INCOME	115.3
FEDERAL INCOME TAX @ 35.00%	40.4
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	40.4
TOTAL INCOME TAXES	45.4

CALIFORNIA WATER SERVICE CO.
ANTELOPE VALLEY DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)2006-2007

OPERATING REVENUE (PROPOSED RATES)	1,570.5
EXPENSES	
PURCHASED WATER	165.0
PURCHASED POWER	115.4
PUMP TAXES	0.0
CHEMICALS	4.0
PAYROLL	184.8
OTHER O & M	239.0
OTHER A & G	18.9
G.O. PRORATIONS	94.8
PAYROLL TAXES	17.3
AD VALOREM TAXES	28.4
UNCOLLECTIBLES	3.4
FRANCHISE TAX & BUS LIC. FEES	2.1
TRANSPORTATION DEPRECIATION ADJUSTMENT	(49.8)
INTEREST EXPENSE	113.1
TOTAL DEDUCTIONS	936.4
STATE INCOME TAX	
STATE TAX DEPRECIATION	192.9
NET STATE TAXIBLE INCOME	441.2
STATE CORP. FRANCHISE TAX @ 8.84%	39.0
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	126.8
STATE INCOME TAX	14.9
LESS PREFERRED STOCK DIVIDEND	0.3
NET FEDERAL TAXIBLE INCOME	492.2
FEDERAL INCOME TAX @ 35.00%	172.3
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	172.3
TOTAL INCOME TAXES	211.3

California Water Service Company
Bear Gulch District

Adopted Quantities

Number of Services by meter size:	2006-2007
5/8 x 3/4	11,161
3/4	9
1	4,644
1 1/2	1,271
2	609
3	42
4	16
6	9
8	-
10	-
TOTAL	17,760

Metered Sales, KCcf	
Potable	6,203.3

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	16,277	5,340.7	27.3
Business	1,291	624.2	40.3
Multi-family	64	111.6	145.3
Industrial	1	2.9	-
Public Authority	95	120.1	105.3
Other	30	3.9	11.0
Sub-Total	17,758	6,203.3	
Residential Flat	-	-	
Private Fire Prot.	267		
Public Fire Prot.	15		
TOTAL	18,040	6,203.3	
Losses	2.58%	164.5	
Total Production		6,367.8	

CALIFORNIA WATER SERVICE COMPANY
BEAR GULCH DISTRICTADOPTED QUANTITIES2006-7

(DOLLARS IN THOUSANDS)

PURCHASED POWER

a) PRODUCTION - KCCF	6,367.8
b) KILOWATT HOURS per KCCF	842.8
c) KILOWATT HOURS (computed)	5,366,510.4
d) COST PER KWH (PG&E Rates Eff. 1/1/06)	\$0.1394

PURCHASED WATER

SUPPLIER - SAN FRANCISCO WATER DEPT.	
PURCHASED WATER PRODUCTION - KCCF	5908.7
UNIT COST OF S.F.W.D. RATES - CCF (Rates Eff. 7/1/05)	\$1.02
S.F.W.D. FIXED ANNUAL SERVICE CHARGES	185.1
QUANTITY CHARGES	\$6,026.9

TOTAL PURCHASED WATER

\$6,212.0

UNCOLLECTABLES RATE	0.06613%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.79695

CALIFORNIA WATER SERVICE CO.
BEAR GULCH DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)2006-2007

OPERATING REVENUE (PRESENT RATES)	19,416.7
EXPENSES	
PURCHASED WATER	6,212.0
PURCHASED POWER	747.8
PUMP TAXES	0.0
CHEMICALS	28.2
PAYROLL	1,752.7
OTHER O & M	1,421.6
OTHER A & G	268.4
G.O. PRORATIONS	2,469.4
PAYROLL TAXES	163.7
AD VALOREM TAXES	393.7
UNCOLLECTIBLES	12.8
FRANCHISE TAX & BUS LIC. FEES	156.8
TRANSPORTATION DEPRECIATION ADJUSTMENT	(65.8)
INTEREST EXPENSE	1,205.1
TOTAL DEDUCTIONS	14,766.3
STATE INCOME TAX	
STATE TAX DEPRECIATION	2,357.9
NET STATE TAXIBLE INCOME	2,292.6
STATE CORP. FRANCHISE TAX @ 8.84%	202.7
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	1,428.7
STATE INCOME TAX	241.1
LESS PREFERRED STOCK DIVIDEND	4.2
NET FEDERAL TAXIBLE INCOME	2,976.5
FEDERAL INCOME TAX @ 35.00%	1,041.8
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	1,041.8
TOTAL INCOME TAXES	1,244.5

CALIFORNIA WATER SERVICE CO.
BEAR GULCH DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)2006-2007

OPERATING REVENUE (PROPOSED RATES)	19,822.2
EXPENSES	
PURCHASED WATER	6,212.0
PURCHASED POWER	747.8
PUMP TAXES	0.0
CHEMICALS	28.2
PAYROLL	1,752.7
OTHER O & M	1,421.6
OTHER A & G	268.4
G.O. PRORATIONS	2,469.4
PAYROLL TAXES	156.8
AD VALOREM TAXES	393.7
UNCOLLECTIBLES	13.1
FRANCHISE TAX & BUS LIC. FEES	167.0
TRANSPORTATION DEPRECIATION ADJUSTMENT	(65.8)
INTEREST EXPENSE	1,205.1
TOTAL DEDUCTIONS	14,769.9
STATE INCOME TAX	
STATE TAX DEPRECIATION	2,357.9
NET STATE TAXIBLE INCOME	2,694.4
STATE CORP. FRANCHISE TAX @ 8.84%	238.2
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	1,428.7
STATE INCOME TAX	243.7
LESS PREFERRED STOCK DIVIDEND	4.2
NET FEDERAL TAXIBLE INCOME	3,375.8
FEDERAL INCOME TAX @ 35.00%	1,181.5
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	1,181.5
TOTAL INCOME TAXES	1,419.7

California Water Service Company
Dominguez-South Bay District

Adopted Quantities

Number of Services by meter size: 2006-2007

5/8 x 3/4	28,849
3/4	-
1	1,228
1 1/2	815
2	1,446
3	242
4	58
6	32
8	26
10	36
TOTAL	32,731

Metered Sales, KCcf

Potable	16,093.3
Recycled	1,421.8

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	28,291	5,414.8	16.0
Business	2,998	4,295.7	119.4
Multi-family	930	1,497.5	134.3
Industrial	171	3,895.1	1,903.8
Public Authority	271	913.2	281.3
Other	58	77.0	111.6
Recycled	13	1,421.8	9,478.7
Sub-Total	32,729	17,515.1	
Residential Flat			
Private Fire Prot.	1,077		
Public Fire Prot.	-		
TOTAL	33,806	17,515.1	
Losses, 2.53%		454.8	
Total Production		17,969.9	

CALIFORNIA WATER SERVICE COMPANY
DOMINGUEZ-SOUTH BAY DISTRICT

ADOPTED QUANTITIES

2006-7
(DOLLARS IN THOUSANDS)

PURCHASED WATER

PURCHASED WATER - ACRE FEET	33,626.5
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QUANTITY SPLITS BY CATEGORY

WEST BASIN - TIER 1 - ACRE FEET - 20156.0 maximum	20,156.0
WEST BASIN - TIER 2 - ACRE FEET	7,896.1
CITY OF TORRANCE - ACRE FEET	1,000.0
DESALTER - ACRE FEET	1,500.0

RECYCLED WATER - REVERSE OSMOSIS - ACRE FEET	2,468.0
RECYCLED WATER - NITRIFIED - ACRE FEET	522.0
RECYCLED WATER - TITLE 22	84.4

RATES BY CATEGORY

WEST BASIN - TIER 1 per acre foot	\$535.00
WEST BASIN - TIER 2 per acre foot	\$616.00
CITY OF TORRANCE - per acre foot	\$468.27
DESALTER - per acre foot	\$409.00

RECYCLED WATER - REVERSE OSMOSIS - per acre foot	\$549.00
RECYCLED WATER - NITRIFIED - per acre foot	\$283.00
RECYCLED WATER - TITLE 22	\$303.00

QUANTITY CHARGES \$ in Thousands

WEST BASIN - TIER 1	10,783.5
WEST BASIN - TIER 2	4,864.0
CITY OF TORRANCE -	468.3
DESALTER -	613.5

RECYCLED WATER - REVERSE OSMOSIS -	1,354.9
RECYCLED WATER - NITRIFIED -	147.7
RECYCLED WATER - TITLE 22	25.6
CAPACITY CHARGES (\$27265 per month)	327.2
CITY OF TORRANCE METER CHARGES	2.2
WEST BASIN METER CHARGES (\$11,200 per month)	38.4

Purchased Water Offset for leasing unpumped rights

West Basin

Lease Rate	75.0
Unpumped rights -- West Basin	6,100.5
Credit to Purchased Water from Leasing	-457.5

Central Basin

Lease Rate	175.0
Unpumped rights -- West Basin	3,240.0
Credit to Purchased Water from Leasing	-567.0

Purchased Water Offset from leasing unpumped rights	-1,024.5
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TOTAL PURCHASED WATER -- \$THOUS	17,600.7
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CALIFORNIA WATER SERVICE COMPANY
DOMINGUEZ-SOUTH BAY DISTRICT

ADOPTED QUANTITIES

2006-7
(DOLLARS IN THOUSANDS)

GROUNDWATER CHARGES

WELL PRODUCTION:	
COMPANY WELLS -ACRE FEET CENTRAL BASIN	3310
COMPANY WELLS -ACRE FEET WEST BASIN	4317
UNIT COST PER ACRE FOOT FOR CENTRAL BASIN	\$128.25
UNIT COST PER ACRE FOOT FOR WEST BASIN	\$128.25
GROUND WATER CHARGES - CENTRAL BASIN	424.5
GROUND WATER CHARGES - WEST BASIN	553.7
WEST BASIN WATERMASTER SERVICE	40.9
CENTRAL BASIN WATERMASTER SERVICE	14.5
TOTAL GROUND WATER CHARGES - \$ in THOUS.	1033.6

PURCHASED POWER

BOOSTER POWER	
a)TOTAL PRODUCTION - KCCF	17,969.9
b) KILOWATT HOURS per KCCF	133.3
c) KILOWATT HOURS	2,395,439
d) COST PER KWH (SCE RATES EFF 8/1/04)	\$0.0773
WELL POWER	
a)TOTAL PRODUCTION - KCCF	3,322.3
b) KILOWATT HOURS per KCCF	1607.0
c) KILOWATT HOURS	5,338,970
d) COST PER KWH (SCE RATES EFF 8/1/04)	\$0.0854
TOTAL POWER REQUIREMENTS	
a)TOTAL PRODUCTION - KCCF	17,969.9
b) KILOWATT HOURS per KCCF	430.4
c) KILOWATT HOURS	7,734,409.0
d) COST PER KWH (SCE RATES EFF 8/1/04)	\$0.0829

Net-to-Gross Multiplier

UNCOLLECTABLES RATE	0.09058%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.78224

CALIFORNIA WATER SERVICE CO.
DOMINGUEZ-SOUTH BAY DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>
OPERATING REVENUE (PRESENT RATES)	32,216.4
EXPENSES	
PURCHASED WATER	17,600.7
PURCHASED POWER	641.1
PUMP TAXES	1,033.6
CHEMICALS	160.9
PAYROLL	2,200.6
OTHER O & M	1,512.2
OTHER A & G	173.6
G.O. PRORATIONS	96.3
PAYROLL TAXES	167.0
AD VALOREM TAXES	652.9
UNCOLLECTIBLES	29.2
FRANCHISE TAX & BUS LIC. FEES	2.7
TRANSPORTATION DEPRECIATION ADJUSTMENT	(118.0)
INTEREST EXPENSE	1,735.0
TOTAL DEDUCTIONS	25,887.8
STATE INCOME TAX	
STATE TAX DEPRECIATION	2,107.2
NET STATE TAXIBLE INCOME	4,221.4
STATE CORP. FRANCHISE TAX @ 8.84%	373.2
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	1,715.2
STATE INCOME TAX	378.8
LESS PREFERRED STOCK DIVIDEND	7.2
NET FEDERAL TAXIBLE INCOME	4,227.5
FEDERAL INCOME TAX @ 35.00%	1,479.6
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	1,479.6
TOTAL INCOME TAXES	1,852.8

CALIFORNIA WATER SERVICE CO.
DOMINGUEZ-SOUTH BAY DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)2006-2007

OPERATING REVENUE (PROPOSED RATES)	33,238.8
EXPENSES	
PURCHASED WATER	17,600.7
PURCHASED POWER	641.1
PUMP TAXES	1,033.6
CHEMICALS	160.9
PAYROLL	2,200.6
OTHER O & M	1,512.2
OTHER A & G	173.6
G.O. PRORATIONS	96.3
PAYROLL TAXES	167.0
AD VALOREM TAXES	652.9
UNCOLLECTIBLES	30.1
FRANCHISE TAX & BUS LIC. FEES	2.7
TRANSPORTATION DEPRECIATION ADJUSTMENT	(118.0)
INTEREST EXPENSE	1,735.0
TOTAL DEDUCTIONS	25,888.7
STATE INCOME TAX	
STATE TAX DEPRECIATION	2,107.2
NET STATE TAXIBLE INCOME	5,242.9
STATE CORP. FRANCHISE TAX @ 8.84%	463.5
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	1,715.2
STATE INCOME TAX	399.3
LESS PREFERRED STOCK DIVIDEND	7.2
NET FEDERAL TAXIBLE INCOME	5,228.5
FEDERAL INCOME TAX @ 35.00%	1,830.0
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	1,830.0
TOTAL INCOME TAXES	2,293.5

California Water Service Company
Hermosa-Redondo District

Adopted Quantities

Number of Services by meter size:	2006-2007
5/8 x 3/4	15,908
3/4	-
1	7,684
1 1/2	1,311
2	897
3	101
4	33
6	11
8	4
10	-
TOTAL	25,948

Metered Sales, KCcf	
Potable	6,113.5
Recycled	53.2

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	21,863	3,484.9	13.3
Business	2,193	969.3	36.8
Multi-family	1,466	1,195.7	68.0
Industrial	43	218.6	428.5
Public Authority	353	240.2	56.7
Other	14	4.9	30.2
Recycled	19	53.2	233.1
Sub-Total	25,949	6,166.7	
Residential Flat			
Private Fire Prot.	276		
Public Fire Prot.	16		
TOTAL	26,241	6,166.7	
Losses, 2.53%		498.9	
Total Production		6,665.6	

CALIFORNIA WATER SERVICE COMPANY
HERMOSA-REDONDO DISTRICT

ADOPTED QUANTITIES

	<u>2006-7</u>
	(DOLLARS IN THOUSANDS)
PURCHASED POWER	
WELLS	
a) PRODUCTION - KCCF	1,132.0
b) KILOWATT HOURS per KCCF	1,101.0
c) KILOWATT HOURS	1,246,332.0
d) COST PER KWH (SCE Rates Eff. 8/1/04)	\$0.0920
e) PURCHASED POWER - \$THOUSANDS	114.7
BOOSTERS	
a) PRODUCTION - KCCF	6,665.6
b) KILOWATT HOURS per KCCF	282.5
c) KILOWATT HOURS	1,882,794.9
d) COST PER KWH (SCE Rates Eff. 8/1/04)	\$0.1131
e) PURCHASED POWER - \$THOUSANDS	213.0
TOTAL	
a) PRODUCTION - KCCF	6,665.6
b) KILOWATT HOURS per KCCF	469.4
c) KILOWATT HOURS	3,129,126.9
d) COST PER KWH (SCE Rates Eff. 8/1/04)	\$0.1047
e) PURCHASED POWER - \$THOUSANDS	327.7
PURCHASED WATER	
<u>WEST BASIN MUNICIPAL WATER DISTRICT</u>	
PURCHASES - KCCF	5,533.6
- ACRE FEET (KCCF x 2.2957)	12,703.5
 NON-INTERRUPTIBLE CAL YR - ACRE FEET	 12,579.5
RECLAIMED WATER CAL YR - ACRE FEET	124.0
 NON-INTERRUPTIBLE RATE/A.F.	 \$545.00
RECLAIMED WATER RATE / A.F.	\$312.00
 NON-INTERRUPTIBLE QUANTITY CHARGES	 6,855,837.0
RECLAIMED WATER QUANTITY CHARGES	38,688.0
TOTAL QUANTITY CHARGES	6,894,525.0
 ADD STANDBY METER CHARGES 1-4" & 2-2" (P.V.)	 2,424.6
ADD WEST BASIN METER CHARGES	163,740.0
 ADD TRANSFER OF WATER RIGHTS FROM P.V. to H.R.	
999 ACRE FEET @ \$134.66	134,525.3
 TOTAL PURCHASED WATER -- \$THOUS	 7,195.2
 TOTAL WEIGHTED AVERAGE COST per ACRE FOOT	 566.4

CALIFORNIA WATER SERVICE COMPANY
HERMOSA-REDONDO DISTRICTADOPTED QUANTITIES**GROUNDWATER CHARGES**

WELL PRODUCTION:

COMPANY WELLS -KCCF	1,132.0
COMPANY WELLS -A.F. (KCCFx2.2957)	2,598.7
UNIT COST PER ACRE FOOT	\$128.25
GROUND WATER CHARGES	333,287.4
ANNUAL WATERMASTER SERVICE	16,004.0
TOTAL GROUND WATER CHARGES - \$ in THOUS.	349.3

NET TO GROSS MULTIPLIER

UNCOLLECTABLES RATE	0.09763%
FRANCHISE TAX RATE	0.02780%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.78286

CALIFORNIA WATER SERVICE CO.
HERMOSA-REDONDO DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>
OPERATING REVENUE (PRESENT RATES)	17,796.5
EXPENSES	
PURCHASED WATER	7,195.3
PURCHASED POWER	327.7
PUMP TAXES	349.3
CHEMICALS	63.9
PAYROLL	1,690.4
OTHER O & M	721.4
OTHER A & G	111.1
G.O. PRORATIONS	2,437.8
PAYROLL TAXES	26.6
AD VALOREM TAXES	245.6
UNCOLLECTIBLES	17.4
FRANCHISE TAX & BUS LIC. FEES	128.9
TRANSPORTATION DEPRECIATION ADJUSTMENT	(77.1)
INTEREST EXPENSE	900.3
TOTAL DEDUCTIONS	14,138.6
STATE INCOME TAX	
STATE TAX DEPRECIATION	1,644.6
NET STATE TAXIBLE INCOME	2,013.3
STATE CORP. FRANCHISE TAX @ 8.84%	178.0
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	1,203.5
STATE INCOME TAX	202.1
LESS PREFERRED STOCK DIVIDEND	3.4
NET FEDERAL TAXIBLE INCOME	2,248.9
FEDERAL INCOME TAX @ 35.00%	787.1
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	787.1
TOTAL INCOME TAXES	965.1

CALIFORNIA WATER SERVICE CO.
HERMOSA-REDONDO DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>
OPERATING REVENUE (PROPOSED RATES)	18,052.3
EXPENSES	
PURCHASED WATER	7,195.3
PURCHASED POWER	327.7
PUMP TAXES	349.3
CHEMICALS	63.9
PAYROLL	1,690.4
OTHER O & M	721.4
OTHER A & G	111.1
G.O. PRORATIONS	2,437.8
PAYROLL TAXES	128.9
AD VALOREM TAXES	245.6
UNCOLLECTIBLES	17.6
FRANCHISE TAX & BUS LIC. FEES	26.7
TRANSPORTATION DEPRECIATION ADJUSTMENT	(77.1)
INTEREST EXPENSE	900.3
TOTAL DEDUCTIONS	14,138.9
STATE INCOME TAX	
STATE TAX DEPRECIATION	1,644.6
NET STATE TAXIBLE INCOME	2,268.8
STATE CORP. FRANCHISE TAX @ 8.84%	200.6
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	1,203.5
STATE INCOME TAX	204.2
LESS PREFERRED STOCK DIVIDEND	3.4
NET FEDERAL TAXIBLE INCOME	2,502.3
FEDERAL INCOME TAX @ 35.00%	875.8
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	875.8
TOTAL INCOME TAXES	1,076.4

California Water Service Company
Kern River Valley District

Adopted Quantities

Number of Services by meter size:	2006-2007
5/8 x 3/4	4,235
3/4	25
1	26
1 1/2	12
2	7
3	2
4	2
6	-
8	-
10	-
TOTAL	4,309

Metered Sales, KCcf	
Potable	590.2

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	4,169	537.4	10.7
Business	114	33.2	24.4
Multi-family	8	7.5	78.6
Industrial	-	-	-
Public Authority	17	11.7	57.2
Other	-	0.1	
Irrigation	1	0.2	17.3
Sub-Total	4,309	590.2	
Residential Flat	-	-	
Private Fire Prot.	3		
Public Fire Prot.	-		
TOTAL	4,312	590.2	
Losses	11.92%	79.9	
Total Production		670.1	

CALIFORNIA WATER SERVICE COMPANY
KERN RIVER VALLEY DISTRICTADOPTED QUANTITIES2006-7

(DOLLARS IN THOUSANDS)

PURCHASED POWER

a) PRODUCTION - KCCF	670.1
b) KILOWATT HOURS per KCCF	3,165.9
c) KILOWATT HOURS	2,121,411.9
d) COST PER KWH (SCE Rates Eff. 8/1/04)	\$0.1125
e) PURCHASED POWER (Thousands)	238.6

PURCHASED WATER

CITY OF BAKERSFIELD	
PURCHASED WATER - ACRE FEET	700
UNIT COST PER ACRE FOOT	67.4
QUANTITY CHARGES (THOUSANDS)	47.2

KISSACK RANCH	
PURCHASED WATER - ACRE FEET	170
PURCHASED WATER - CCF (A.F. X 435.6)	74052.0
UNIT COST PER CCF	\$0.70
QUANTITY CHARGES (THOUSANDS)	\$51.84

NET TO GROSS MULTIPLIER

UNCOLLECTABLES RATE	0.89253%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.81284

CALIFORNIA WATER SERVICE CO.
KERN RIVER VALLEY DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>
OPERATING REVENUE (PRESENT RATES)	2,600.4
EXPENSES	
PURCHASED WATER	99.0
PURCHASED POWER	238.6
PUMP TAXES	0.0
CHEMICALS	23.8
PAYROLL	518.1
OTHER O & M	442.2
OTHER A & G	15.9
G.O. PRORATIONS	390.0
PAYROLL TAXES	23.2
AD VALOREM TAXES	103.4
UNCOLLECTIBLES	23.2
FRANCHISE TAX & BUS LIC. FEES	48.2
TRANSPORTATION DEPRECIATION ADJUSTMENT	(59.9)
INTEREST EXPENSE	236.6
TOTAL DEDUCTIONS	2,102.3
STATE INCOME TAX	
STATE TAX DEPRECIATION	370.1
NET STATE TAXIBLE INCOME	128.0
STATE CORP. FRANCHISE TAX @ 8.84%	11.3
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	265.3
STATE INCOME TAX	19.8
LESS PREFERRED STOCK DIVIDEND	0.8
NET FEDERAL TAXIBLE INCOME	212.3
FEDERAL INCOME TAX @ 35.00%	74.3
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	74.3
TOTAL INCOME TAXES	85.6

CALIFORNIA WATER SERVICE CO.
KERN RIVER VALLEY DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>
OPERATING REVENUE (PROPOSED RATES)	3,405.7
EXPENSES	
PURCHASED WATER	99.0
PURCHASED POWER	238.6
PUMP TAXES	0.0
CHEMICALS	23.8
PAYROLL	518.1
OTHER O & M	442.2
OTHER A & G	15.9
G.O. PRORATIONS	390.0
PAYROLL TAXES	48.2
AD VALOREM TAXES	103.4
UNCOLLECTIBLES	30.4
FRANCHISE TAX & BUS LIC. FEES	30.8
TRANSPORTATION DEPRECIATION ADJUSTMENT	(59.9)
INTEREST EXPENSE	236.6
TOTAL DEDUCTIONS	2,117.1
STATE INCOME TAX	
STATE TAX DEPRECIATION	370.1
NET STATE TAXIBLE INCOME	918.5
STATE CORP. FRANCHISE TAX @ 8.84%	81.2
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	265.3
STATE INCOME TAX	37.0
LESS PREFERRED STOCK DIVIDEND	0.8
NET FEDERAL TAXIBLE INCOME	985.5
FEDERAL INCOME TAX @ 35.00%	344.9
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	344.9
TOTAL INCOME TAXES	426.1

California Water Service Company
Marysville District

Adopted Quantities

Number of Services by meter size: 2006-2007

5/8 x 3/4	770
3/4	-
1	219
1 1/2	66
2	116
3	17
4	7
6	1
8	-
3	-
4	-

Metered Sales, KCcf
Potable 633.4

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	461	93.0	16.8
Business	526	236.4	37.5
Multi-family	126	163.0	107.8
Industrial	4	19.8	-
Public Authority	74	121.0	137.1
Other	2	0.2	10.4
Sub-Total	1,193	633.4	
Residential Flat	2,586	696.8	
Private Fire Prot.	48		
Public Fire Prot.	4		
TOTAL	3,831	1,330.2	
Losses, 8.00%		115.7	
Total Production		1,445.8	

CALIFORNIA WATER SERVICE COMPANY
MARYSVILLE DISTRICTADOPTED QUANTITIES

	<u>2006-7</u> (DOLLARS IN THOUSANDS)
PURCHASED POWER	
Average Cost Per kWh (PG&E Rates Eff. 1/1/06)	\$0.1468
Kilowatt-hours per KCcf	790.7
Production, KCcf	1445.8
Total Power Cost	\$167,812
Net-to-Gross Multiplier	
UNCOLLECTABLES RATE	0.28763%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.03000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.78630

CALIFORNIA WATER SERVICE CO.
MARYSVILLE DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)2006-2007

OPERATING REVENUE (PRESENT RATES)	2,027.1
EXPENSES	
PURCHASED WATER	0.0
PURCHASED POWER	167.8
PUMP TAXES	0.0
CHEMICALS	16.2
PAYROLL	379.7
OTHER O & M	189.8
OTHER A & G	38.4
G.O. PRORATIONS	378.2
PAYROLL TAXES	35.2
AD VALOREM TAXES	38.7
UNCOLLECTIBLES	5.8
FRANCHISE TAX & BUS LIC. FEES	0.6
TRANSPORTATION DEPRECIATION ADJUSTMENT	(17.3)
INTEREST EXPENSE	148.0
TOTAL DEDUCTIONS	1,381.2
STATE INCOME TAX	
STATE TAX DEPRECIATION	298.5
NET STATE TAXIBLE INCOME	347.4
STATE CORP. FRANCHISE TAX @ 8.84%	30.7
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	270.2
STATE INCOME TAX	35.7
LESS PREFERRED STOCK DIVIDEND	0.5
NET FEDERAL TAXIBLE INCOME	339.5
FEDERAL INCOME TAX @ 35.00%	118.8
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	118.8
TOTAL INCOME TAXES	149.5

CALIFORNIA WATER SERVICE CO.
MARYSVILLE DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)2006-2007

OPERATING REVENUE (PROPOSED RATES)	2,128.2
EXPENSES	
PURCHASED WATER	0.0
PURCHASED POWER	167.8
PUMP TAXES	0.0
CHEMICALS	16.2
PAYROLL	379.7
OTHER O & M	189.8
OTHER A & G	38.4
G.O. PRORATIONS	378.2
PAYROLL TAXES	35.2
AD VALOREM TAXES	38.7
UNCOLLECTIBLES	6.1
FRANCHISE TAX & BUS LIC. FEES	0.6
TRANSPORTATION DEPRECIATION ADJUSTMENT	(17.3)
INTEREST EXPENSE	148.0
TOTAL DEDUCTIONS	1,381.5
STATE INCOME TAX	
STATE TAX DEPRECIATION	298.5
NET STATE TAXIBLE INCOME	448.2
STATE CORP. FRANCHISE TAX @ 8.84%	39.6
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	270.2
STATE INCOME TAX	37.6
LESS PREFERRED STOCK DIVIDEND	0.5
NET FEDERAL TAXIBLE INCOME	438.4
FEDERAL INCOME TAX @ 35.00%	153.5
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	153.5
TOTAL INCOME TAXES	193.1

California Water Service Company
Palos Verdes District

Adopted Quantities

Number of Services by meter size:	2006-2007
5/8 x 3/4	18,219
3/4	-
1	3,837
1 1/2	1,111
2	644
3	55
4	18
6	14
8	5
10	-
TOTAL	23,903

Metered Sales, KCcf	
Potable	9,360.1
Recycled	-

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	23,016	7,728.6	28.0
Business	500	851.2	141.9
Multi-family	142	296.8	174.8
Industrial	10	9.2	76.8
Public Authority	212	423.7	166.6
Other	24	50.6	175.7
Recycled	-	-	
Sub-Total	23,903	9,360.1	
Residential Flat			
Private Fire Prot.	132		
Public Fire Prot.	6		
TOTAL	24,041	9,360.1	
Losses, 2.53%		621.7	
Total Production		9,981.9	

CALIFORNIA WATER SERVICE COMPANY
PALOS VERDES DISTRICT

ADOPTED QUANTITIES

2006-7
(DOLLARS IN THOUSANDS)

PURCHASED WATER

WEST BASIN MUNICIPAL WATER DISTRICT PURCHASES - KCCF	9,981.8
- ACRE FEET (KCCF x 2.2957)	22,915.3
WEST BASIN TIER 1	22,915.3
TIER 1 RATE per A.F.	\$535.00
TIER 1 QUANTITY CHARGES	12,259,686.0
TOTAL QUANTITY CHARGES	12,259,686.0
ADD WEST BASIN METER CHARGES	27,600.0
ADD WEST BASIN CAPACITY CHARGES	293,556.0
LESS TRANSFER OF WATER RIGHTS FROM P.V. to H.R. 999 ACRE FEET @ \$134.66	134,525.3
TOTAL PURCHASED WATER -- \$THOUS	12,446.3
TOTAL WEIGHTED AVERAGE COST per ACRE FOOT	543.1

PURCHASED POWER

TOTAL POWER REQUIREMENTS	
a)TOTAL PRODUCTION - KCCF	9,981.9
b) KILOWATT HOURS per KCCF	2801.2
c) KILOWATT HOURS	27,960,822.7
d) COST PER KWH (SCE RATES EFF 8/1/04)	\$0.0980

Net-to-Gross Multiplier

UNCOLLECTABLES RATE	0.04074%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.80019

CALIFORNIA WATER SERVICE CO.
PALOS VERDES DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>
OPERATING REVENUE (PRESENT RATES)	25,228.4
EXPENSES	
PURCHASED WATER	12,446.4
PURCHASED POWER	2,740.6
PUMP TAXES	0.0
CHEMICALS	0.0
PAYROLL	1,751.0
OTHER O & M	1,142.3
OTHER A & G	48.7
G.O. PRORATIONS	2,888.8
PAYROLL TAXES	145.9
AD VALOREM TAXES	244.5
UNCOLLECTIBLES	10.3
FRANCHISE TAX & BUS LIC. FEES	264.0
TRANSPORTATION DEPRECIATION ADJUSTMENT	(78.0)
INTEREST EXPENSE	808.0
TOTAL DEDUCTIONS	22,412.2
STATE INCOME TAX	
STATE TAX DEPRECIATION	1,434.9
NET STATE TAXIBLE INCOME	1,381.4
STATE CORP. FRANCHISE TAX @ 8.84%	122.1
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	1,041.9
STATE INCOME TAX	136.6
LESS PREFERRED STOCK DIVIDEND	3.2
NET FEDERAL TAXIBLE INCOME	1,634.5
FEDERAL INCOME TAX @ 35.00%	572.1
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	572.1
TOTAL INCOME TAXES	694.2

CALIFORNIA WATER SERVICE CO.
PALOS VERDES DISTRICTINCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>
OPERATING REVENUE (PROPOSED RATES)	26,084.0
EXPENSES	
PURCHASED WATER	12,446.4
PURCHASED POWER	2,740.6
PUMP TAXES	0.0
CHEMICALS	0.0
PAYROLL	1,751.0
OTHER O & M	1,142.3
OTHER A & G	48.7
G.O. PRORATIONS	2,888.8
PAYROLL TAXES	145.9
AD VALOREM TAXES	244.5
UNCOLLECTIBLES	10.6
FRANCHISE TAX & BUS LIC. FEES	273.1
TRANSPORTATION DEPRECIATION ADJUSTMENT	(78.0)
INTEREST EXPENSE	808.0
TOTAL DEDUCTIONS	22,421.6
STATE INCOME TAX	
STATE TAX DEPRECIATION	1,434.9
NET STATE TAXIBLE INCOME	2,227.5
STATE CORP. FRANCHISE TAX @ 8.84%	196.9
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	1,041.9
STATE INCOME TAX	154.7
LESS PREFERRED STOCK DIVIDEND	3.2
NET FEDERAL TAXIBLE INCOME	2,462.6
FEDERAL INCOME TAX @ 35.00%	861.9
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	861.9
TOTAL INCOME TAXES	1,058.8

California Water Service Company
Coast Springs Rate Area, Redwood Valley District

Adopted Quantities

Number of Services by meter size: 2006-2007

5/8 x 3/4	240
3/4	-
1	5
1 1/2	1
2	2
3	1
4	-
6	-
8	-
10	-
TOTAL	249

Metered Sales, KCcf
Potable 8.4

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	241	7.6	2.6
Business	6	0.8	11.6
Multi-family	-	-	
Industrial	-	-	-
Public Authority	2	-	-
Other	-	-	
Sub-Total	249	8.4	
Residential Flat	-	-	
Private Fire Prot.	-		
Public Fire Prot.	-		
TOTAL	249	8.4	
Losses	22.76%	2.5	
Total Production		10.9	

California Water Service Company
Lucerne Service Area

Number of Services by meter size: 2006-2007

5/8 x 3/4	1,277
3/4	-
1	9
1 1/2	2
2	2
3	1
4	-
6	-
8	-
10	-
TOTAL	1,291

Metered Sales, KCcf	
Potable	139.0

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	1,212	101.7	7.0
Business	52	14.1	22.7
Multi-family	15	21.1	
Industrial	-	-	-
Public Authority	13	2.1	14.0
Other	-	-	
Sub-Total	1,292	139.0	
Residential Flat	-	-	
Private Fire Prot.	4		
Public Fire Prot.	-		
TOTAL	1,296	139.0	
Losses	33.06%	68.6	
Total Production		207.7	

California Water Service Company
Redwood Unified Rate Area, Redwood Valley District

Adopted Quantities

Number of Services by meter size: 2006-2007

5/8 x 3/4	444
3/4	2
1	1
1 1/2	-
2	-
3	1
4	-
6	-
8	-
10	-
TOTAL	448

Metered Sales, KCcf
Potable 50.8

Number of Services and Use:

	Avg Services 2006-2007	Use, KCcf 2006-2007	Avg Use, Ccf/Sv/Mo 2006-2007
Residential	431	44.3	8.6
Business	11	3.2	25.8
Multi-family	3	2.7	
Industrial	-	-	-
Public Authority	3	0.6	16.7
Other	-	-	
Sub-Total	448	50.8	
Residential Flat	-	-	
Private Fire Prot.	-		
Public Fire Prot.	-		
TOTAL	448	50.8	
Losses	20.43%	13.0	
Total Production		63.9	

CALIFORNIA WATER SERVICE COMPANY
REDWOOD VALLEY DISTRICT
COAST SPRINGS TARIFF AREA
ADOPTED QUANTITIES

	<u>2006-7</u>
	(DOLLARS IN THOUSANDS)
PURCHASED POWER	
a) PRODUCTION - KCCF (TABLE 4-D)	10.9
b) KILOWATT HOURS per KCCF	3,486.3
c) KILOWATT HOURS (computed)	38,000.6
d) COST PER KWH (PG&E Rates Eff. 1/1/06)	\$0.1731
UNCOLLECTABLES RATE	0.19505%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.78411

CALIFORNIA WATER SERVICE COMPANY
REDWOOD VALLEY DISTRICT
LUCERNE TARIFF AREA
ADOPTED QUANTITIES

	<u>2006-7</u> (DOLLARS IN THOUSANDS)
PURCHASED POWER	
a) PRODUCTION - KCCF	207.7
b) KILOWATT HOURS per KCCF	1,691.9
c) KILOWATT HOURS	351,324.4
d) COST PER KWH (PG&E Rates Eff. 1/1/06)	\$0.1562
PURCHASED WATER	
YOLO COUNTY FLOOD CONT. & WATER CONS. DIST.	
PURCHASES - KCCF	207.6
- ACRE FEET (KCCF x 2.2957)	476.6
UNIT COST per ACRE FOOT	\$48.00
QUANTITY CHARGES	\$22,877
UNCOLLECTABLES RATE	0.37673%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.78736

CALIFORNIA WATER SERVICE COMPANY
REDWOOD VALLEY DISTRICT
REDWOOD UNIFIED TARIFF AREA
ADOPTED QUANTITIES

2006-7

(DOLLARS IN THOUSANDS)

PURCHASED POWER

a) PRODUCTION - KCCF	63.9
b) KILOWATT HOURS per KCCF	1,674.0
c) KILOWATT HOURS	90,109.0
d) COST PER KWH (PG&E Rates Eff. 1/1/06)	\$0.1581
e) PURCHASED POWER - \$THOUSANDS	14.2

PURCHASED WATER

SWEETWATER SPRINGS WATER DISTRICT

Total water usage	8362.8
Meter service charges	1548
Multiple user charges	1800
Bond repayment	198
TOTAL	11908.8

TOTAL PURCHASED WATER - \$ in THOUSANDS	11.9
--	-------------

UNCOLLECTABLES RATE	0.33800%
FRANCHISE TAX RATE	0.00000%
BUSINESS LICENSE FEE RATE	0.00000%
FEDERAL TAX RATE	35.00%
STATE CORP. FRANCHISE TAX	8.84%
NET TO GROSS MULTIPLIER	1.78667

CALIFORNIA WATER SERVICE CO.
REDWOOD VALLEY DISTRICT
COAST SPRINGS TARIFF AREA
INCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

2006-2007

OPERATING REVENUE (PRESENT RATES)	82.6
EXPENSES	
PURCHASED WATER	0.0
PURCHASED POWER	6.6
PUMP TAXES	0.0
CHEMICALS	0.7
PAYROLL	14.9
OTHER O & M	60.9
OTHER A & G	2.0
G.O. PRORATIONS	31.9
PAYROLL TAXES	0.0
AD VALOREM TAXES	1.9
UNCOLLECTIBLES	0.2
FRANCHISE TAX & BUS LIC. FEES	1.5
TRANSPORTATION DEPRECIATION ADJUSTMENT	(0.1)
INTEREST EXPENSE	15.1
TOTAL DEDUCTIONS	135.6
STATE INCOME TAX	
STATE TAX DEPRECIATION	39.4
NET STATE TAXIBLE INCOME	(92.4)
STATE CORP. FRANCHISE TAX @ 8.84%	(8.2)
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	23.2
STATE INCOME TAX	(7.3)
LESS PREFERRED STOCK DIVIDEND	0.1
NET FEDERAL TAXIBLE INCOME	(69.0)
FEDERAL INCOME TAX @ 35.00%	(24.2)
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	(24.2)
TOTAL INCOME TAXES	(32.4)

CALIFORNIA WATER SERVICE CO.
REDWOOD VALLEY DISTRICT
COAST SPRINGS TARIFF AREA
INCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

2006-2007

OPERATING REVENUE (PROPOSED RATES)	207.0
EXPENSES	
PURCHASED WATER	0.0
PURCHASED POWER	6.6
PUMP TAXES	0.0
CHEMICALS	0.7
PAYROLL	14.9
OTHER O & M	60.9
OTHER A & G	2.0
G.O. PRORATIONS	31.9
PAYROLL TAXES	1.5
AD VALOREM TAXES	1.9
UNCOLLECTIBLES	0.4
FRANCHISE TAX & BUS LIC. FEES	0.0
TRANSPORTATION DEPRECIATION ADJUSTMENT	(0.1)
INTEREST EXPENSE	15.1
TOTAL DEDUCTIONS	135.8
STATE INCOME TAX	
STATE TAX DEPRECIATION	39.4
NET STATE TAXIBLE INCOME	31.8
STATE CORP. FRANCHISE TAX @ 8.84%	2.8
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	23.2
STATE INCOME TAX	(4.6)
LESS PREFERRED STOCK DIVIDEND	0.1
NET FEDERAL TAXIBLE INCOME	52.5
FEDERAL INCOME TAX @ 35.00%	18.4
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	18.4
TOTAL INCOME TAXES	21.2

CALIFORNIA WATER SERVICE CO.
REDWOOD VALLEY DISTRICT
LUCERNE TARIFF AREA
INCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

	<u>2006-2007</u>
OPERATING REVENUE (PRESENT RATES)	551.5
EXPENSES	
PURCHASED WATER	22.9
PURCHASED POWER	54.9
PUMP TAXES	0.0
CHEMICALS	17.8
PAYROLL	237.3
OTHER O & M	153.8
OTHER A & G	31.5
G.O. PRORATIONS	168.6
PAYROLL TAXES	0.0
AD VALOREM TAXES	15.6
UNCOLLECTIBLES	2.1
FRANCHISE TAX & BUS LIC. FEES	22.3
TRANSPORTATION DEPRECIATION ADJUSTMENT	(10.7)
INTEREST EXPENSE	97.5
TOTAL DEDUCTIONS	813.6
STATE INCOME TAX	
STATE TAX DEPRECIATION	147.3
NET STATE TAXIBLE INCOME	(409.4)
STATE CORP. FRANCHISE TAX @ 8.84%	(36.2)
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	79.2
STATE INCOME TAX	(32.1)
LESS PREFERRED STOCK DIVIDEND	0.3
NET FEDERAL TAXIBLE INCOME	(309.5)
FEDERAL INCOME TAX @ 35.00%	(108.3)
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	(108.3)
TOTAL INCOME TAXES	(144.5)

CALIFORNIA WATER SERVICE CO.
REDWOOD VALLEY DISTRICT
LUCERNE TARIFF AREA
INCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

2006-2007

OPERATING REVENUE (PROPOSED RATES)	1,218.6
EXPENSES	
PURCHASED WATER	22.9
PURCHASED POWER	54.9
PUMP TAXES	0.0
CHEMICALS	17.8
PAYROLL	237.3
OTHER O & M	153.8
OTHER A & G	31.5
G.O. PRORATIONS	168.6
PAYROLL TAXES	22.3
AD VALOREM TAXES	15.6
UNCOLLECTIBLES	4.6
FRANCHISE TAX & BUS LIC. FEES	0.0
TRANSPORTATION DEPRECIATION ADJUSTMENT	(10.7)
INTEREST EXPENSE	97.5
TOTAL DEDUCTIONS	816.1
STATE INCOME TAX	
STATE TAX DEPRECIATION	147.3
NET STATE TAXIBLE INCOME	255.2
STATE CORP. FRANCHISE TAX @ 8.84%	22.6
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	79.2
STATE INCOME TAX	(17.7)
LESS PREFERRED STOCK DIVIDEND	0.3
NET FEDERAL TAXIBLE INCOME	340.7
FEDERAL INCOME TAX @ 35.00%	119.2
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	119.2
TOTAL INCOME TAXES	141.8

CALIFORNIA WATER SERVICE CO.
REDWOOD VALLEY DISTRICT
REDWOOD UNIFIED TARIFF AREA
INCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

2006-2007

OPERATING REVENUE (PRESENT RATES)	319.1
EXPENSES	
PURCHASED WATER	11.9
PURCHASED POWER	14.2
PUMP TAXES	0.0
CHEMICALS	0.8
PAYROLL	142.0
OTHER O & M	68.0
OTHER A & G	19.3
G.O. PRORATIONS	68.3
PAYROLL TAXES	0.0
AD VALOREM TAXES	6.0
UNCOLLECTIBLES	1.1
FRANCHISE TAX & BUS LIC. FEES	13.5
TRANSPORTATION DEPRECIATION ADJUSTMENT	(9.3)
INTEREST EXPENSE	39.3
TOTAL DEDUCTIONS	375.0
STATE INCOME TAX	
STATE TAX DEPRECIATION	107.1
NET STATE TAXIBLE INCOME	(163.1)
STATE CORP. FRANCHISE TAX @ 8.84%	(14.4)
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	59.3
STATE INCOME TAX	(10.7)
LESS PREFERRED STOCK DIVIDEND	0.1
NET FEDERAL TAXIBLE INCOME	(104.7)
FEDERAL INCOME TAX @ 35.00%	(36.6)
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	(36.6)
TOTAL INCOME TAXES	(51.0)

CALIFORNIA WATER SERVICE CO.
REDWOOD VALLEY DISTRICT
REDWOOD UNIFIED TARIFF AREA
INCOME TAX CALCULATION
(DOLLARS IN THOUSANDS)

2006-2007

OPERATING REVENUE (PROPOSED RATES)	576.8
EXPENSES	
PURCHASED WATER	11.9
PURCHASED POWER	14.2
PUMP TAXES	0.0
CHEMICALS	0.8
PAYROLL	142.0
OTHER O & M	68.0
OTHER A & G	19.3
G.O. PRORATIONS	68.3
PAYROLL TAXES	13.5
AD VALOREM TAXES	6.0
UNCOLLECTIBLES	1.9
FRANCHISE TAX & BUS LIC. FEES	0.0
TRANSPORTATION DEPRECIATION ADJUSTMENT	(9.3)
INTEREST EXPENSE	39.3
TOTAL DEDUCTIONS	375.8
STATE INCOME TAX	
STATE TAX DEPRECIATION	107.1
NET STATE TAXIBLE INCOME	93.9
STATE CORP. FRANCHISE TAX @ 8.84%	8.3
FEDERAL INCOME TAX	
FEDERAL TAX DEPRECIATION	59.3
STATE INCOME TAX	(5.3)
LESS PREFERRED STOCK DIVIDEND	0.1
NET FEDERAL TAXIBLE INCOME	146.9
FEDERAL INCOME TAX @ 35.00%	51.4
INVESTMENT TAX CREDIT	0.0
TOTAL FEDERAL INCOME TAX	51.4
TOTAL INCOME TAXES	59.7

**California Water Service Company
2005 Rate Case Weather Adjustment Factors**

Antelope Valley - Lancaster**Forecast Values****Equation coefficients**

<u>Temperature</u>	<u>Rainfall</u>	<u>Residential</u>	<u>Business</u>	<u>Multifamily</u>
44.0	0.1	TEMP1 72.16893	TEMP 160.7461	None
46.1	0.2	TEMP2 67.67158	RAIN -880.6783	
50.1	0.2	TEMP3 69.70217		
55.4	0.0	TEMP4 83.79794		
62.5	0.0	TEMP5 97.84308		
71.0	0.0	TEMP6 102.5853		
78.1	0.0	TEMP7 105.4333		
80.4	0.0	TEMP8 100.4944		
76.5	0.0	TEMP9 95.6555		
67.9	0.0	TEMP10 88.62328		
56.5	0.0	TEMP11 75.03801		
47.0	0.0	TEMP12 75.00463		
		RAIN -545.685		

Antelope Valley - Remainder**Forecast Values****Equation coefficients**

<u>Temperature</u>	<u>Rainfall</u>	<u>Residential</u>	<u>Business</u>	<u>Multifamily</u>
44.0	0.1	TEMP 87.59673	TEMP 56.92996	
46.1	0.2	RAIN -78.226		
50.1	0.2			
55.4	0.0			
62.5	0.0			TEMP5 11.60901
71.0	0.0			TEMP6 17.60146
78.1	0.0			TEMP7 24.28884
80.4	0.0			TEMP8 19.00975
76.5	0.0			TEMP9 25.23945
67.9	0.0			TEMP10 9.079219
56.5	0.0			TEMP11 11.16698
47.0	0.0			

**California Water Service Company
2005 Rate Case Weather Adjustment Factors**

Bear Gulch**Forecast Values****Equation coefficients**

<u>Temperature</u>	<u>Rainfall</u>	<u>Residential</u>	<u>Business</u>	<u>Multifamily</u>
48.5	1.0	TEMP1 35.13779	TEMP1 40.93706	
49.9	1.1	TEMP2 32.13458	TEMP2 38.46577	
52.7	0.8	TEMP3 32.58113	TEMP3 39.30866	
55.6	0.2	TEMP4 40.49469	TEMP4 44.03202	TEMP4 14.99946
59.2	0.0	TEMP5 50.49238	TEMP5 50.55466	TEMP5 40.02762
63.3	0.0	TEMP6 61.7834	TEMP6 57.09627	TEMP6 61.96192
65.9	0.0	TEMP7 68.87097	TEMP7 59.23349	TEMP7 86.43919
66.9	0.0	TEMP8 71.08525	TEMP8 58.35185	TEMP8 74.76957
66.3	0.0	TEMP9 67.75566	TEMP9 56.49701	TEMP9 76.048
63.7	0.0	TEMP10 63.49586	TEMP10 52.47087	TEMP10 58.84249
57.5	0.1	TEMP11 51.99505	TEMP11 46.08887	TEMP11 23.70436
51.0	0.5	TEMP12 38.77941	TEMP12 42.67183	

Dominguez**Forecast Values****Equation coefficients**

<u>Temperature</u>	<u>Rainfall</u>	<u>Residential</u>	<u>Business</u>	<u>Multifamily</u>
56.7	0.7	TEMP1 33.9486	TEMP 295.1298	TEMP1 219.291
57.1	1.3	TEMP2 31.13162	RAIN -294.6732	TEMP2 196.5026
58.0	0.9	TEMP3 29.39042		TEMP3 182.2178
59.8	0.3	TEMP4 31.40453		TEMP4 188.9668
62.3	0.0	TEMP5 33.31653		TEMP5 197.0909
65.1	0.0	TEMP6 34.35488		TEMP6 200.4193
68.1	0.0	TEMP7 36.12437		TEMP7 205.4721
70.2	0.0	TEMP8 34.29098		TEMP8 189.1001
70.4	0.0	TEMP9 33.67667		TEMP9 192.672
68.1	0.0	TEMP10 31.38451		TEMP10 184.8076
63.5	0.0	TEMP11 31.25427		TEMP11 193.4236
58.7	0.1	TEMP12 31.71555		TEMP12 194.9701
		RAIN -12.10301		RAIN -129.9475

**California Water Service Company
2005 Rate Case Weather Adjustment Factors**

Hermosa Redondo**Forecast Values**

<u>Temperature</u>	<u>Rainfall</u>
56.7	0.7
57.1	1.3
58.0	0.9
59.8	0.3
62.3	0.0
65.1	0.0
68.1	0.0
70.2	0.0
70.4	0.0
68.1	0.0
63.5	0.0
58.7	0.1

Equation coefficients

<u>Residential</u>	<u>Business</u>	<u>Multifamily</u>
TEMP1 16.19397	TEMP1 29.17792	TEMP1 6.066728
TEMP2 14.81189	TEMP2 28.86613	TEMP2 3.159579
TEMP3 14.2536	TEMP3 27.71841	TEMP5 5.101808
TEMP4 15.63931	TEMP4 27.70796	TEMP6 10.96869
TEMP5 17.53523	TEMP5 30.50722	TEMP7 13.53102
TEMP6 18.88368	TEMP6 32.97933	TEMP8 11.97481
TEMP7 19.90326	TEMP7 34.77743	TEMP9 13.68316
TEMP8 18.85301	TEMP8 34.36355	TEMP10 10.54332
TEMP9 18.58447	TEMP9 33.89827	TEMP11 5.59306
TEMP10 17.43192	TEMP10 31.5084	TEMP12 7.219449
TEMP11 15.87057	TEMP11 29.31748	RAIN -43.04361
TEMP12 16.08488	TEMP12 30.88882	
RAIN -18.98919	RAIN -25.6062	

Kern River**Forecast Values**

<u>Temperature</u>	<u>Rainfall</u>
46.7	0.3
48.0	0.6
51.0	0.5
55.5	0.2
62.1	0.0
70.3	0.0
77.6	0.0
80.3	0.0
77.0	0.0
69.3	0.0
58.5	0.1
49.6	0.1

Equation coefficients

<u>Residential</u>	<u>Business</u>	<u>Multifamily</u>
TEMP1 16.95612	TEMP1 71.17885	TEMP1 304.8263
TEMP2 19.20762	TEMP2 63.71268	TEMP2 298.4491
TEMP3 13.85184	TEMP3 62.34581	TEMP3 272.6629
TEMP4 21.08252	TEMP4 64.08002	TEMP4 267.4212
TEMP5 17.59423	TEMP5 63.20063	TEMP5 247.222
TEMP6 26.60046	TEMP6 71.34134	TEMP6 265.4137
TEMP7 21.46364	TEMP7 68.09715	TEMP7 267.0147
TEMP8 26.7404	TEMP8 66.69394	TEMP8 252.8962
TEMP9 21.5979	TEMP9 74.4789	TEMP9 280.4727
TEMP10 24.88337	TEMP10 70.15279	TEMP10 255.8202
TEMP11 18.92055	TEMP11 68.83177	TEMP11 262.3226
TEMP12 21.20202	TEMP12 68.74784	TEMP12 299.3563
RAIN -15.38778		RAIN -25.15677

**California Water Service Company
2005 Rate Case Weather Adjustment Factors**

Marysville**Forecast Values****Equation coefficients**

<u>Temperature</u>	<u>Rainfall</u>	<u>Residential</u>	<u>Business</u>	<u>Multifamily</u>
47.3	1.0	TEMP1 27.65988		TEMP1 202.8172
49.6	1.2	TEMP2 26.15378		TEMP2 193.8606
54.3	1.0	TEMP3 24.60759		TEMP3 181.3241
58.9	0.4	TEMP4 25.01119	TEMP4 3.196041	TEMP4 178.467
65.1	0.0	TEMP5 27.37293	TEMP5 9.891709	TEMP5 184.5203
72.0	0.0	TEMP6 32.96879	TEMP6 21.18465	TEMP6 199.1275
77.2	0.0	TEMP7 37.75141	TEMP7 29.95552	TEMP7 211.8081
78.6	0.0	TEMP8 36.55808	TEMP8 30.51171	TEMP8 204.8072
75.8	0.0	TEMP9 36.35023	TEMP9 30.39411	TEMP9 212.6621
69.6	0.0	TEMP10 32.26303	TEMP10 24.9608	TEMP10 204.3539
60.0	0.2	TEMP11 27.32056	TEMP11 14.11223	TEMP11 187.1271
50.9	0.6	TEMP12 26.17471	TEMP12 3.760477	TEMP12 191.9468
		RAIN -23.97075	RAIN -6.205661	RAIN -118.3872

Palos Verdes**Forecast Values****Equation coefficients**

<u>Temperature</u>	<u>Rainfall</u>	<u>Residential</u>	<u>Business</u>	<u>Multifamily</u>
56.7	0.7	TEMP1 64.82929		No model
57.1	1.3	TEMP2 60.49343		
58.0	0.9	TEMP3 59.0608		
59.8	0.3	TEMP4 63.85954	TEMP4 36.5711	
62.3	0.0	TEMP5 70.01045	TEMP5 99.00167	
65.1	0.0	TEMP6 71.10955	TEMP6 129.4997	
68.1	0.0	TEMP7 73.80134	TEMP7 155.5076	
70.1	0.0	TEMP8 72.46665	TEMP8 161.1713	
70.3	0.0	TEMP9 72.19868	TEMP9 144.8803	
68.1	0.0	TEMP10 68.67363	TEMP10 117.7281	
63.5	0.0	TEMP11 64.66124	TEMP11 37.69116	
58.7	0.1	TEMP12 64.30387		
		RAIN -58.48476	RAIN -413.5754	

APPENDIX F
AUTHORIZED ADVICE LETTERS

Table of Advice Letter Projects

District	Project Number	Project Description	Location	Advice Letter Cap
Antelope Valley	Project 14467	Chloramination facilities	Leona Valley	\$108,000
Antelope Valley	Project 14468	Chloramination facilities	Lancaster	\$108,000
Bear Gulch	Projects 4288, 12920, 12922, and 13154	Studies and improvements related to environmental compliance of the surface supply	Bear Gulch	\$1,045,000
Bear Gulch	Projects 11106 and 11107	Design and construction of a replacement for the Woodside Reservoir	Bear Gulch	\$1,620,000
Dominguez	Projects 7810, 7783, 7784, and 10393	New well	Dominguez	\$1,020,000
Dominguez	Project 12039	wellhead treatment	Dominguez	\$400,200
Dominguez	Project 12047	wellhead treatment	Dominguez	\$232,300
Dominguez	Project 12801	wellhead treatment	Dominguez	\$738,800
Dominguez	Projects 13540, 13541, 13542, and 13543	New well	Dominguez	\$1,094,000
Hermosa	Project 12886	Major main replacement in Pacific Coast Highway	Hermosa	\$1,607,500
Kern River Valley	Projects 12299, 12300, 12301	Arsenic compliance and water supply reliability	Kern River Valley	\$5,510,000
Marysville	Project 13316	Purchase property for new customer service center	Marysville	\$243,000
Marysville	Project 13318	Tank replacement	Marysville	\$1,294,000
Marysville	Project 13327	New well	Marysville	\$1,080,000
Redwood Valley	Project 12508	300,000 gallon tank	Lucerne	\$350,000

APPENDIX G
RATE SUPPORT FUND SETTLEMENT

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

California Water Service Company (U 60-W), for Authority to Increase Rates Charged for Water Service in the Antelope Valley District by \$437,218 or 36.94% in Fiscal Year 2006-2007; by \$145,000 or 8.94% in Fiscal Year 2007-2008; and by \$145,000 or 8.21% in Fiscal Year 2008-2009.

Application 05-08-006
(Filed August 8, 2005)

And Related Matters.

Application 05-08-007
Application 05-08-008
Application 05-08-009
Application 05-08-010
Application 05-08-011
Application 05-08-012
Application 05-08-013
(Filed August 8, 2005)

RATE BASE EQUALIZATION ACCOUNT (RBEA)
SETTLEMENT

GENERAL

The Parties to this Settlement before the California Public Utilities Commission (Commission or CPUC) are California Water Service Company (CWS), the Division of Ratepayer Advocates (DRA), Lucerne Community Water Organization, Intervener Jack Miller from Armstrong in the Redwood Valley Unified District, Interveners Jeffrey Young and Marcos Pareas from the Redwood Valley Coast Springs District and the Leona Valley Cherry Growers Association -- collectively, Parties. The Parties, desiring to avoid the expense and inconvenience attendant to the litigation before the Commission, have agreed on this Settlement, which they now submit for adoption.

In consideration of the mutual obligations, covenants and conditions contained herein, the Parties agree to the terms of this Agreement. Nothing in this Agreement shall be deemed to constitute an admission or an acceptance by any Party of any fact, principle, or position contained herein and this Agreement is subject to the limitations described in Section 13 with respect to the express limitation on precedent. The Parties, by signing this Agreement, acknowledge that they pledge support for Commission approval and subsequent implementation of all the provisions of the Agreement.

SETTLEMENT TERMS

This agreement was reached taking into account Parties original positions, the affordability of the rates (district income levels, usage levels, rate base per customer, availability of public loan funds, and average bills in each district) and public comment at the Public Participation Hearings and in letters to the CPUC and DRA. In addition,

Parties weighed the impact of any extraordinary water quality problems in reaching this settlement.

Parties agreed on the need to provide some form of rate assistance for Antelope Valley, Kern River Valley, and Redwood Valley but did not agree on the RBEA as proposed by CWS. Parties instead propose use of a different subsidy mechanism, which they name the **Rate Support Fund (RSF)**. While CWS and DRA analyzed the impact of the very high rate base per customer in their respective reports, it was just one of the factors used in selecting which districts should be eligible for a benefit. Actual numerical recommendations for rate assistance are based on a per customer benefit and not tied to rate base.

1. Rate Support Fund (RSF).

The parties agree that the RSF will be used to support two types of benefits: (1) a general rate assistance benefit to all customers in eligible districts; and, (2) a targeted benefit to qualifying low income customers in all three of the RBEA proposed districts -- Antelope Valley, Kern River Valley and Redwood Valley (Lucerne, Coast Springs, and Unified).

2. Eligible districts.

Parties agree that Kern River, Redwood Valley-Lucerne, Redwood Valley-Coast Springs, and Redwood Valley-Unified are all eligible for a general district-wide or division-wide rate assistance benefit from the RSF.¹ In addition, Parties agree that the customers in the very impoverished and low water usage area of Fremont Valley in Antelope Valley are also eligible for a general rate assistance benefit, but agree that Antelope Valley as a district should only be eligible for the more targeted low income benefit described below. This agreement was reached taking into account Parties original positions, the affordability of the rates -- district income levels, usage levels, rate base per customer, availability of public loan funds, and average bills in each district. In addition, Parties weighed the impact of any extraordinary water quality problems in the proposed districts.

In addition, Parties agree that qualifying low income customers in Antelope Valley, Kern River Valley, and Redwood Valley (Lucerne, Coast Springs, and Unified) are all eligible to participate in a special low income rate assistance program designed to provide additional targeted rate relief to those most in need of assistance.

¹ Redwood Valley has three divisions -- Lucerne, Coast Springs and Unified.

3. Amount of total support subsidy.

Parties agree to the following RSF subsidy amounts for rate assistance:

District	General Rate Assistance	Low Income Rate Assistance	Total
Kern River	\$1,034,006	\$108,000	\$1,142,006
Lucerne	264,447	41,160	305,607
RV – Coast Springs	50,795	1,200	51,995
RV – Unified	89,965	8,880	98,845
Antelope Valley	0	12,600	12,600
AV - Fremont Valley 93501	12,546	4,080	16,626
Total	\$1,451,760	\$175,920	\$1,627,680

These amounts assume that CWS gets a \$4 million zero interest State Revolving Fund (SRF) loan for Lucerne. The net reduction in revenue requirement provided by this loan to Lucerne customers is approximately \$23/month.² Lucerne customers will not see this \$23/customer reduction on their bills, because it is a net reduction over what bills would have been without the SRF loan. Parties recognize that Lucerne customers will be receiving this \$23 net benefit once the loan is finalized, which when combined with the RSF rate assistance benefit described herein of \$17/customer, results in combined rate support of approximately \$40/customer per month from CWS ratepayers and the SRF loan program.

The benefit for the Fremont Valley area of Antelope Valley is targeted to a unique situation. In general, Antelope Valley is of average income with average residential water usage of 33.5 Ccfs/month. When usage is normalized and compared across districts at 10 Ccfs per month, proposed Antelope Valley bills are comparable or less than existing bills in Kern River Valley and Redwood Valley. However, the Fremont Valley sub-area is different. Over 50% of the households are at or below 200% of federal poverty guidelines, and average usage is 7 Ccfs per month. Parties agreed to provide general rate support to all households in this specific area.

See attached tables for a summary of CWS and DRA original positions and for settlement amounts as a proportion of revenue requirement. These amounts represent a compromise on the part of both CWS and DRA, as well as the other interveners.

4. Customer benefits and type of support.

a. General Support – Customer benefits.

Parties agree that the above RSF subsidies are designed to provide the following amounts in monthly rate support per customer:

Kern River Valley **\$20/month/customer**

² A \$4 million reduction in rate base equates to an approximate \$36/month reduction per customer. The SRF loan payment, per customer, is estimated to be \$13/month. Therefore, the net reduction, \$36 - \$13, equals a net savings of \$23/customer.

RV - Lucerne	\$17/month/customer
RV – Coast Springs	\$17/month/customer equivalent Parties agree that rate support in this division should be applied to the quantity rates to better target the benefit to year round permanent residents rather than vacation home customers. This equates to \$6.05/Ccf .
RV – Unified	\$17/month/customer equivalent Parties agree that rate support in this division should also be applied to the quantity rates to better meet the needs of the community. This equates to \$1.76/Ccf .
AV – Fremont Valley Service area (93501 zip code)	\$8.50/customer/month

b. Additional targeted support for qualifying low income customers in Antelope Valley, Kern River Valley and Redwood Valley.

Parties also recommend that a portion of the RSF support be specifically targeted to qualifying low income customers in all three of the proposed RBEA districts – Antelope Valley, Kern River and Redwood Valley (Lucerne, Coast Springs, and Unified). Parties agree that eligible low income households should receive an additional \$10/month in low income rate assistance. Any customer who is enrolled in either the PG&E or SCE low income program, California Alternate Rates for Energy or CARE, and who presents proof of that enrollment by submitting a copy of his or her electric bill, will automatically qualify for this special low income assistance. If the customer does not have electric service, he or she must meet the CPUC CARE program income limits to qualify. The following table shows the income limits in effect through May 2006.

Household Size	LIEE Income Limit
1 to 2	\$27,700
3	\$32,500
4	\$39,200
5	\$45,900
6	\$52,600
Each additional	\$6,700

These limits are updated annually and posted on the CPUC website under “Consumer Information” and are currently based on 200% of federal poverty guidelines. CWS agrees to inform customers of this additional rate assistance twice a year via a bill insert and notices approved by the CPUC Public Advisor and DRA, and notifying Community Based Organizations (CBOs) within the districts in writing so they can also publicize the program.

Parties acknowledge that CWS has an application pending (A.05-10-035) for a company-wide low income rate assistance (LIRA) program that would apply to all CWS districts. Parties agree that low income customers in Antelope Valley, Kern River Valley and Redwood Valley should receive the higher of any low income assistance authorized in that proceeding or the low income assistance adopted in the instant proceeding, but not

both. Parties expect that in A.05-10-035 the low income assistance and corresponding surcharges authorized in this proceeding will be combined into the company-wide low income rate assistance fund and surcharge mechanism that is adopted in A.05-10-035.

c. Line item on customer bills.

Parties agree that any and all customer support will be an explicit line item on the customer bill. The direct benefit going to qualifying districts will be listed as the "Rate Support Fund Assistance" and the additional special low income assistance will be listed as "Low Income Rate Assistance".

5. Surcharge.

Parties agree to fund the RSF via a volumetric surcharge on every unit of water sold by CWS in all 24 districts, instead of a per customer surcharge. Parties estimate the volumetric surcharge to be approximately \$0.0090, or less than one penny, per Ccf of water. The surcharge for un-metered customers on a flat rate should be a per customer charge based on the average residential consumption in those districts. As shown in Attachment B, it ranges from \$0.22 to \$0.36 per customer depending on the district. Parties agree that customers enrolled in any CWS low income program should be exempt from paying this surcharge. Also, CWS has agreed to show the surcharges on customer bills.

6. Effective dates.

The Parties agree that the general RSF support and the targeted LIRA support should be implemented coincident with the effective date of the rate increases in the Redwood Valley and Antelope Valley districts. Additionally, the RSF support for the Kern River Valley district should be implemented at the same time that the rate increase associated with the infrastructure improvements to comply with the new arsenic standard become effective. DRA has recommended that the rate increase for the arsenic related facilities be implemented by advice letter after the facilities are in service. CWS does not oppose DRA's advice letter recommendation.

7. Duration.

Support approved in this GRC is for the duration of this GRC cycle. Requests for future RSF rate assistance may be made by CWS in future general rate cases. CWS also agrees to provide a summary report on RSF benefits provided and surcharges collected in the next GRC for these districts.

8. Accounting Treatment.

RSF subsidies and surcharges will be booked in a single balancing account with the subsidies recorded for each district. No later than March 31st of each year CWS agrees to notify the Commission's Water Division in writing of the status of the balancing account for the prior calendar year. Additionally, CWS agrees to file an advice letter to adjust the surcharge if the balancing account is over- or under-collected by 10% or more of total annual revenues for the districts receiving support. Balances will accrue interest at the 90 day commercial paper rate.

CWS has agreed that the rates shown on customer bills for districts receiving RSF assistance will reflect the tariff rates with the RSF and LIRA benefits separately identified as offsets to the tariff rates.

9. CAPS procedure.

Parties discussed but declined to recommend the use of the CAPS procedure for phasing in rate increases for any districts in this GRC.

10. Incorporation of Complete Agreement

This Agreement is to be treated as a complete package and not as a collection of separate agreements on discrete issues. To accommodate the interests related to diverse issues, the Parties acknowledge that changes, concessions, or compromises by a Party or Parties in one section of this Agreement resulted in changes, concessions, or compromises by the Parties in other sections. Consequently, the Parties agree to oppose any modification of this Agreement not agreed to by all Parties.

11. Signature Date And Term Of Agreement

This Agreement shall become binding on the signature date.

12. Regulatory Approval

The Parties shall use their best efforts to obtain Commission approval of the Agreement. The Parties shall jointly request that the Commission: (1) approve the Agreement without change; and (2) find the Agreement to be reasonable, consistent with law and in the public interest.

13. Compromise Of Disputed Claims

This Agreement represents a compromise of disputed claims between the Parties. The Parties have reached this Agreement after taking into account the possibility that each Party may or may not prevail on any given issue. The Parties assert that this Agreement is reasonable, consistent with law and in the public interest.

14. Non Precedent

Consistent with Rule 51.8 of the Commission's Rules of Practice and Procedure, this Agreement is not precedential in any other proceeding before this Commission, except as expressly provided in this Agreement.

15. Previous Communications

The Agreement contains the entire agreement and understanding between the Parties as to the subject matter of this Agreement, and supersedes all prior agreements, commitments, representation, and discussions between the Parties. In the event there is any conflict between the terms and scope of the Agreement and the terms and scope of the accompanying joint motion, the Agreement shall govern.

16. Non Waiver

None of the provisions of this Agreement shall be considered waived by any Party unless such waiver is given in writing. The failure of a Party to insist in any one or more instances upon strict performance of any of the provisions of this Agreement or to take advantage of any of their rights hereunder shall not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

17. Effect Of Subject Headings

Subject headings in this Agreement are inserted for convenience only, and shall not be construed as interpretations of the text.

18. Governing Law

This Agreement shall be interpreted, governed and construed under the laws of the State of California, including Commission decisions, orders and rulings, as if executed and to be performed wholly within the State of California.

19. Number Of Originals

This Agreement is executed in counterparts, each of which shall be deemed an original. The undersigned represent that they are authorized to sign on behalf of the Party represented.

Attachment A

Comparison of CWS vs. DRA RBEA Original Positions with Settlement			
	CWS	DRA	Settlement
Type of Support	Direct subsidy support to eligible districts	Direct subsidy support to eligible districts	General rate support to all customers in eligible districts, and additional targeted support to qualifying low income customers.
Eligible Districts for Direct Subsidy Support	Antelope Valley, Kern River Valley and Redwood Valley (Lucerne, Coast Springs, and Unified).	Kern River Valley and Redwood Valley (Lucerne only).	Kern River Valley, Redwood Valley (Lucerne, Coast Springs, and Unified) and AV - Fremont Valley (93501 zip) only.
Eligible Districts for Targeted Low Income Support	NA	NA	Antelope Valley, Kern River Valley and Redwood Valley (Lucerne, Coast Springs, and Unified).
Data used for comparison purposes	CWS Results recalculated using 8.5% ROR.	DRA Results recalculated using 8.5% ROR.	NA
SRF Loan for Lucerne	CWS calculations assumed no loan.	DRA presented two scenarios, with and without SRF loan.	Assumes receipt of \$4 million interest free SRF loan for Lucerne.
Rate base subsidy threshold per customer			<i>Weighed in settlement negotiations but not used as a threshold.</i>
2006-07	\$1,136	\$2,272	
2007-08	\$1,136	\$2,272	
Total rate base subsidized			<i>Weighed in settlement negotiations but not used as a threshold.</i>
2006-07	\$15,945,620	\$5,040,520	
2007-08	\$17,302,725	\$5,783,798	
Total Revenue Requirement Subsidy			
2006-07	\$2,455,626	\$776,240	\$1,627,680
2007-08	\$2,664,620	\$890,705	\$1,627,680
Benefit per customer	Varies by district. See Bill Analysis Tables.	Varies by district. See Bill Analysis Tables.	
Surcharge type	Per customer	Per Ccf water sold	Per Ccf water sold
Per Customer surcharge			Not Applicable, but values provided for comparison purposes.
2006-07	\$0.47	\$0.15	\$0.31
2007-08	\$0.51	\$0.17	\$0.31
Per Ccf water surcharge			
2006-07	\$0.014	\$0.004	\$0.009
2007-08	\$0.015	\$0.005	\$0.009
Subsidizing ratepayers	All CWS ratepayers including those in districts to be subsidized.	Former Dominguez ratepayers. Shareholders should pay CWS portion. Customers enrolled in any CWS low-income water program should be excluded from paying the surcharge.	All CWS ratepayers including those in districts to be subsidized, but excluding customers enrolled in any CWS low-income water program
Shareholders portion of per customer surcharge	0	90.2%. (CWS customers from non-Dominguez districts.)	Not Applicable.
Shareholders portion of per Ccf surcharge	0	86.6% (86.6% of water sold is to CWS customers from non-Dominguez districts.)	0

Attachment B

Proposed Settlement on CWS RBEA Proposal

DRA and CWS proposed subsidies recalculated using a standard ROR of 8.5% to eliminate this variable from results. Use of this ROR was for comparison purposes only, and does not imply endorsement of this value by either DRA or CWS.

Part I: Eligible District RSF General Subsidy

District	Monthly Customer Subsidy*				Settlement Subsidy as % of Rev.		
	DRA	CWS	Settlement		% Current	% DRA	% CWS
Kern River	\$666,465	\$1,420,275	\$1,034,006		39.4%	31.4%	22.7%
Lucerne	\$109,769	\$336,497	\$264,447		44.9%	21.6%	13.3%
RV - Coast Springs*	\$0	\$137,600	\$50,795		61.6%	24.8%	15.2%
RV - Unified*	\$0	\$181,257	\$89,965		28.1%	16.8%	11.8%
Antelope Valley	\$0	\$380,148	\$0		0.0%	0.0%	0.0%
AV - Fremont Valley 93501	--	--	\$12,546		NA	NA	NA
Total	\$776,234	\$2,455,777	\$1,451,760				
Surcharge per Ccf	\$0.0040	\$0.014	\$0.0080				

* Parties agree that the subsidy for Coast Springs and Unified be applied to the quantity rates instead of being a per customer credit. This results in a credit per Ccf of:

RV - Coast Springs* \$6.05
RV - Unified* \$1.76

Part II: Settlement Special Low Income Discount

District	\$ Discount/Customer	Estimated Customer Participation at 50% of Eligible	Special Low Income Subsidy	Settlement Subsidy as % of Rev.		
				% Current	% DRA	% CWS
Kern River	\$10.00	900	\$108,000.00	4.12%	3.28%	2.37%
Lucerne	\$10.00	343	\$41,160.00	6.99%	3.37%	2.07%
RV - Coast Springs	\$10.00	10	\$1,200.00	1.46%	0.59%	0.36%
RV - Unified	\$10.00	74	\$8,880.00	2.78%	1.66%	1.17%
Antelope Valley	\$10.00	105	\$12,600.00	1.39%	1.11%	1.02%
AV - Fremont Valley 93501	\$10.00	34	\$4,080.00	NA*	NA*	NA*
Total		1466	\$175,920			
Surcharge per Ccf			\$0.0010			

* Low Income support for Antelope Valley and AV - Fremont combined for purposes of evaluating percentage of revenue requirement.

Total RSF Subsidy for High Rate Base per Customer Districts

District	General Rate Assistance	Low Income Rate Assistance	Total	SRF Loan Benefit	Total
Kern River	\$1,034,006	\$108,000	\$1,142,006		
Lucerne	264,447	41,160	305,607		
RV - Coast Springs	50,795	1,200	51,995		
RV - Unified	89,965	8,880	98,845	\$344,724	\$650,331
Antelope Valley	0	12,600	12,600		
AV - Fremont Valley 93501	12,546	4,080	16,626		
Total	\$1,451,760	\$175,920	\$1,627,680		
Surcharge per Ccf	\$0.0080	\$0.0010	\$0.0090		

midpoint DRA - CWS
\$1,616,005.56

Flat Rate Customers only -- Monthly per customer surcharge based on average usage*

Districts with Flat Rate Customers	Average Usage	Flat Rate Surcharge
Bakersfield	40.5	\$0.36
Chico	24	\$0.22
Marysville	24.5	\$0.22
Oroville	26.5	\$0.24
Selma	38.9	\$0.35
Visalia	24.5	\$0.22
Willows	31.8	\$0.29

Surcharge per Ccf
\$0.01

*average usage x surcharge per Ccf = flat rate monthly customer surcharge

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By _____

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By _____

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**Leona Valley Cherry Growers
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By _____

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APPENDIX H
STIPULATION ON REMAINING ISSUES

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF
CALIFORNIA

In the Matter of Application of California Water Service Company (U 60 W), a corporation, for an order authorizing it to increase rates charged for water service in the Antelope Valley District by \$437,218 or 36.94% in fiscal 2006-2007, by \$145,000 or 8.94% in fiscal 2007-2008, and by \$145,000 or 8.21% in fiscal 2008-2009.	Application 05-08-006
And Related Matters	Application 05-08-007 Application 05-08-008 Application 05-08-009 Application 05-08-010 Application 05-08-011 Application 05-08-012 Application 05-08-013 (Filed August 8, 2005)

STIPULATIONS OF CALIFORNIA WATER SERVICE COMPANY (U-60—W) AND THE DIVISION OF RATEPAYER ADVOCATES

1.0 GENERAL

1.01 The Parties to this Stipulation before the California Public Utilities Commission (“Commission”) are California Water Service Company (“Cal Water”) and the Division of Ratepayer Advocates (“DRA”) -- collectively, “the Parties.” In six of the districts at issue in this proceeding, these are the only interested parties. However, in the Redwood Valley District and the Antelope Valley District, there are other parties, collectively “the Intervenorors” who have not explicitly joined in this stipulation. The Parties, desiring to

avoid the expense and inconvenience attendant to the litigation before the Commission have agreed on this Stipulation which they now submit for adoption.

1.02 Because this Stipulation represents a compromise by them, the Parties have entered into the Stipulation on the basis that its approval by the Commission not be construed as an admission or concession by any Party regarding any fact or matter or law in dispute in this proceeding. Furthermore, the Parties intend that the approval of this Stipulation by the Commission not be construed as a precedent or statement of policy of any kind except as it relates to the current and future proceedings addressed in the Stipulation.

2.0 STIPULATION TERMS

2.1 Sales and Services

2.11 DRA agrees to Cal Water original sales forecasts except in the Redwood Unified Service Area and the Coast Springs Service Area, where Cal Water agrees to DRA's proposed sales forecasts. The forecasts, except in Redwood Valley, reflect the estimating methodology in the Commission's Rate Case Plan. Redwood Valley was not estimated using this methodology due to the lack of appropriate long-term weather and sales data.

2.12 Parties agree not to correct the data error in Kern River Valley identified in Cal Water's rebuttal. The difference is minor and both parties relied on the incorrect data.

2.13 Parties agree to DRA's estimates of customers, except that parties agree to residential customer growth in Marysville of 14 customers per year. Cal Water had initially estimated 13 customers per year and DRA had estimated 16 customers per year.

2.2 Expenses

2.2.1 Labor

- Parties agree to use the latest union contract increase of 3.5% labor inflation for 2006 and 2007 labor. Parties agree to incorporate the enumerated union contract revisions to complement in Antelope Valley and Kern River Valley. These revisions reflect classification changes for certain employees in these districts.
- Cal Water agrees to DRA's employee complement recommendation for Antelope Valley.
- DRA and Cal Water agree that the Redwood Valley District employee complement should be increased by one water supply operator. The test year salary of \$39,000 for the added employee is allocated 50% to Lucerne and 50% to the unified rate area. Because of the additional staffing, the Parties agree to DRA's estimated Lucerne contract maintenance expense less \$10,000 to reflect expected savings.
- DRA and Cal Water agree that 15 temporary employees in the Rancho Dominguez Operations Center should be reflected as permanent positions. These positions were classified as temporary until all Cal Water/Dominguez merger related issues were finalized. Furthermore, the parties agree that \$74,300 in additional direct labor costs should be included for four positions that do not have permanent equivalent positions. DRA and Cal Water agree that this increased cost should be allocated to Dominguez-South Bay, Palos Verdes, and Hermosa-Redondo using the four-factor method included in Cal Water's workpapers.
- Cal Water agrees to DRA's recommendation of two additional employees in the Bear Gulch District.

2.2.2 Postage Expense

- Cal Water agrees to DRA's recommended postage expense.

2.2.3 Transportation Expense

- Cal Water and DRA agree that there is merit in both parties' positions on transportation expense. Therefore, they agree to use the average of the recommended transportation expenses shown in Cal Water's application and DRA's report.

2.2.4 Water Production Expenses

- In the Dominguez-South Bay District, DRA and Cal Water agree to reflect DRA's recommended treatment of proposed water production facilities in determining the base amount of groundwater production and purchased water. Cal Water and DRA have agreed that five water supply facilities projects should be included in rate base after completion via advice letter filings. In addition to the capital requirements, those advice letters should each reflect adjusted water production expenses (purchased water, purchased power, groundwater replenishment fees, pump taxes, and chemicals) to reflect the change in production mix afforded by the new facilities. DRA and Cal Water agree that at current rates, marginal (tier 2) purchased water costs approximately \$616 per acre-foot, while pumped groundwater costs approximately \$209 per acre foot. In addition, DRA and Cal Water agree that unused groundwater pumping rights are assumed to be leased, crediting ratepayers \$75 per acre foot within the West Basin Municipal Utilities District and \$175 per acre foot within the Central Basin Municipal Utilities District. Thus there is substantial benefit to ratepayers in lower production costs (approximately \$332 per acre-foot in West Basin and \$232 per acre-foot in Central Basin) when these facilities become used and useful.
- Parties agree to use power calculations for Marysville, Redwood Valley, and Bear Gulch based on the PG&E rates effective January 1, 2006.

2.2.5 Source of Supply Expense

- In the Dominguez-South Bay District, DRA and Cal Water agree to estimate source of supply expense by adding \$20,000 to DRA's recommendation. Cal Water had estimated \$70,800 based on a two-year average of expenses in the category. These expenses increased significantly when the State discontinued its payment of a portion of local watermaster fees. DRA had used a five-year average in developing an estimate of \$43,800. Cal Water and DRA now agree that the impact of this change in watermaster fees is \$20,000 per year above DRA's estimate.

2.2.6 Conservation Expenses

- DRA and Cal Water agree to conservation expenses in all districts as follows:
(Three-year total of expense, as DRA recommended a phase-in, \$ in thousands)

<u>District</u>	<u>Cal Water</u>	<u>DRA</u>	<u>Settlement</u>
Antelope Valley.	\$87.9	\$48.6	\$72.0
Bear Gulch	\$462.3	\$462.3	\$462.3
Dominguez	\$490.2	\$0	\$319.3
Hermosa-Redondo	\$440.1	\$259.5	\$286.7
Kern River Valley	\$136.2	\$84.8	\$84.8
Marysville	\$149.1	\$61.7	\$92.5
Palos Verdes	\$352.5	\$0	\$229.6
Redwood	\$116.7	\$69.8	\$69.8

Cal Water and DRA now agree that conservation programs should be funded through rates equally in the test and attrition years. Cal Water and DRA agree that Cal Water should report annually to the Commission's Water Division on the status of its conservation program expenditures. Furthermore, they agree that Cal Water should track conservation expenses and the conservation budget in a one-way balancing-type account. In its next General Rate Case filing for each district, Cal Water would propose to refund to customers any under-expenditures recorded

in the account. No recovery would be authorized for expenditures above the approved 3-year conservation budget.

2.2.7 Contracted Maintenance Expense

- Cal Water and DRA agree to include in the Bear Gulch contracted maintenance expense a provision for amortizing field yard painting of \$63,400 over a ten year period. Cal Water had initially requested amortization of this expense over a three-year period while DRA had recommended a fifteen year amortization in its report. The parties now agree that ten years is a reasonable life for the field yard painting.
- As noted above, Cal Water and DRA agree to contracted maintenance expenses in Lucerne reflecting a \$10,000 reduction from DRA's recommendation.

2.2.8 Other Operation and Maintenance Expenses

- Cal Water agrees to DRA's estimates of expenses in all other areas of operation and maintenance not enumerated above.

2.2.9 Rent – Rancho Dominguez

- DRA and Cal Water agree to continue the provisions of their settlement from D.04-04-041 relating to rent for the Dominguez-South Bay, Hermosa-Redondo, and Palos Verdes Districts. In summary, this settlement proposes to continue to include in rates the pre-merger costs of customer service and operations facilities for the three districts and to exclude current rental costs for these districts. This treatment is consistent with the presentation and evaluation of synergies elsewhere in this proceeding.
- As a result, Cal Water agrees to DRA's exclusion of current rent from expense. DRA and Cal Water agree to add \$603,595 to plant in service in Dominguez-South Bay to reflect the old Dominguez operations center. The depreciation reserve should also be adjusted to reflect four years of depreciation at \$20,000

(3.33% rate). Depreciation expense for the test years should also reflect the additional depreciation expense of \$20,000 per year and ad valorem taxes should reflect additional expense of \$5,700 per year. DRA and Cal Water agree to add \$350,000 in beginning of year 2005 plant to Hermosa-Redondo to reflect the retired operations center, additional depreciation in the test years of \$11,660 (3.33% rate), and additional ad valorem taxes of \$2,700. DRA and Cal Water agree that the Palos Verdes operations center continues to be used and useful so no adjustment is necessary to reflect retired facilities.

2.2.10 Other Administrative and General Expenses

- Cal Water agrees to DRA's estimates of expenses in all other areas of administrative and general expense not enumerated above, except that where DRA accepted Cal Water's estimating method for an expense category, DRA agrees to reflect the inflation factors used in its report (September 2005).

2.3 Rate Base

- **Weighting:** Cal Water and DRA agree to use the 100%/0% weighting system when calculating fiscal year rate base. This means, for example, that the weighted average plant additions for the 2006-7 fiscal year would include 2006 plant additions at 100% weighting and the 2007 plant additions at 0%. Parties agree that this method is simpler to implement than the recorded fiscal weighting approach and yields similar results.
- **Working Cash:** Parties agree that the lead-lag calculation for working cash allowance should reflect DRA lag days for ad valorem taxes (221 days), Cal Water's zero lag days for depreciation expense, and the midpoint between DRA and Cal Water's lag days for other O&M expense (19.9 days). Cal Water agrees to include the working cash effect of payment lag of CPUC fees as recommended by DRA.

2.31 Antelope Valley District Plant in Service

- DRA and Cal Water agree to a budget of \$29,126 on project 13183 in Antelope Valley for a pump building based on the bid received plus overhead and supervision. DRA had recommended \$26,700 based on the bid received. Cal Water had initially estimated \$31,300.
- DRA and Cal Water agree to a budget of \$51,650 for project 13199 for services replacements in Leona Valley in 2007. DRA had recommended \$46,200 based on services replacement in another project. Cal Water had initially estimated \$57,100 in its application. DRA and Cal Water agree that because the project evaluated by DRA was in connection with a main replacement, it may not have included some costs necessary in an independent service replacement and that Cal Water's initial estimate assumed all the replacements were long-side services. Therefore, the parties agree that an average of their two initial positions is an appropriate budget.
- DRA and Cal Water agree to a budget of \$52,200 for project 13194 for services replacements in Lancaster in 2007. DRA had recommended \$46,200 based on services replacement in another project. Cal Water had initially estimated \$58,200 in its application. DRA and Cal Water agree that because the project evaluated by DRA was in connection with a main replacement, it may not have included some costs necessary in an independent service replacement and that Cal Water's initial estimate assumed all the replacements were long-side services. Therefore, the parties agree that an average of their two initial positions is an appropriate budget.
- DRA agrees to Cal Water's proposed budget of \$14,300 for Project 13190 in 2006 for hydrant replacements. DRA had recommended \$7,400.

- DRA agrees to Cal Water's proposed budget of \$34,000 for Project 7248 in 2005 for hydrant replacements because the job was completed. ORA had recommended \$20,400. Cal Water had initially proposed \$34,300.
- Cal Water agrees with DRA's recommendation to exclude project 11408 for a replacement truck in 2005. The truck is associated with Cal Water's request for an operations employee. Since Cal Water and DRA agree that this position should not be included in rates in this proceeding, this project is unnecessary.
- Cal Water and DRA agree on Cal Water's application estimate of \$83,200 in 2006 for project 7401 for an iron and manganese removal plant.
- DRA and Cal Water agree to DRA's recommendation for advice letter treatment of the following projects:
 - Project 14467 Chloramination facilities in Leona Valley in 2007. The parties agree that this project is to be coordinated closely with the water wholesaler's conversion to chloramines and that timing is uncertain. The advice letter should seek to recover no more than \$108,000 in capital costs.
 - Project 14468 Chloramination facilities in Lancaster in 2007. The parties agree that this project is to be coordinated closely with the water wholesaler's conversion to chloramines and that timing is uncertain. The advice letter should seek to recover no more than \$108,000 in capital costs.
- In all other respects except those enumerated above, Cal Water agrees to DRA's recommendations on 2005, 2006, and 2007 capital budgets.

2.32 Kern River Valley Plant

- Cal Water and DRA agree that recovery of the costs of projects 12299, 12300, and 12301 for arsenic compliance and water supply reliability should be through an advice letter once the projects are completed. These projects represent very significant investments in infrastructure for the district, and the advice letter process is proposed to ensure ratepayers pay for the actual costs of the improvements. These projects will be completed in mid-2006. DRA and Cal Water agree that to avoid multiple rate increases and to decrease workload for the Water Division, Cal Water should file a single advice letter to incorporate the costs of all three projects when they are in service. Because DRA observed that Cal Water's budgets for these projects have been recently refined and reduced, it proposed cutting Cal Water's construction contingency from 15% to 5% of the project cost. After settlement discussions, the parties agree that the advice letters should request no more than 95% of Cal Water's initial budget for these projects in capital costs. The agreed-upon budgets are as follows: project 12300 - \$1,995,000, project 12299 - \$2,185,000, and project 12301 - \$1,330,000. Therefore, the overall "cap" on the advice letter is \$5,510,000. (Cal Water should request no more than \$5,510,000 in capital costs in its advice letter filing.)
- Cal Water agrees with DRA's deferral of project 7069 for SCADA improvements from 2005 to 2006.
- Cal Water and DRA now agree to Cal Water's reduced, current estimate of \$80,000 for project 9359 in 2006 for tank replacement at station 6. Cal Water had initially estimated \$154,100 and DRA had recommended \$60,000.
- Cal Water and DRA now agree that project 13124 in 2007 for a Kernville main replacement should be budgeted at \$388,700 for mains and \$81,975 for service replacements. This agreement reflects the parties' view that there is significant merit in their respective positions. DRA's recommended budget for mains was

\$340,000 and services was \$45,000 and Cal Water's proposed budget for mains was \$437,400 and services was \$94,300.

2.33 Redwood Valley Plant

- Cal Water and DRA agree to adjust the beginning balance of plant to correct an earlier error in allocating a treatment facility. In Cal Water's Application, the Rancho del Paradiso treatment plant was allocated among all Redwood Valley systems. It should have been allocated only to the Unified Service Area. Furthermore, since the treatment plant is now retired, the plant should be removed from plant and depreciation reserve in accordance with generally accepted accounting principles. The effect on beginning of year 2005 plant that is incorporated into the DRA/Cal Water comparison tables is as follows:

Rate Area	CWS Original Filing	Stipulation
Coast Springs	\$220,300	\$174,700
Lucerne	\$3,402,600	\$3,162,700
Unified	\$1,029,700	\$1,119,400
<hr/>		
Total	\$4,652,600	\$4,456,800

- Cal Water and DRA now agree that project 12508 for a 300,000 gallon tank in Lucerne in 2005 should be included in rates after it is in service by an advice letter filing. This advice letter should request no more than \$350,000 in capital costs for the project. DRA had recommended this project be included in rates for \$300,000 in the 2005 budget year. Cal Water had requested \$432,000. The parties observed that while DRA's comparison was generally reasonable, it may not have taken into account the remoteness of the Lucerne area and the difficulty Cal Water has had in the Redwood Valley obtaining qualified contractors. Therefore, the parties agreed to cap the advice letter at \$350,000 to allow for those conditions.
- Cal Water agrees to all DRA deferrals.

- Cal Water and DRA agree to budget \$75,000 for project 13538 for a treatment plant in Noel Heights. Cal Water had initially estimated \$150,000 for this project. DRA's report had recommended \$20,000 based on costs incurred through October 2005. The parties considered the additional expected charges on this project described in Cal Water's rebuttal in arriving at their budget estimate.
- Cal Water and DRA agree to budget \$280,000 for project 11696 for a tie-in between the Rancho del Paradiso system and Sweetwater Springs. Cal Water had initially budgeted \$280,000 for this project. DRA had recommended \$225,000 based on expenditures on the project through October. The parties considered the additional expected charges on this project described in Cal Water's rebuttal in arriving at their budget.
- Cal Water agrees to DRA's recommendation of \$70,000 for project 12497 for manganese removal in Hawkins.
- Cal Water agrees to DRA's estimate of \$40,500 for project 12499, a 2005 Coast Springs main replacement. Parties agree this project is planned for 2006 so it should be accounted for in the 2006 capital budget.
- Cal Water agrees to DRA's recommended budget of \$38,000 on project 12561 for a hydraulic model.
- Cal Water agrees to DRA's estimate of \$90,000 each for projects 13301 and 13304 for main replacements in Lucerne in 2006 and 2007.

2.34 Marysville plant

- Parties agree Cal Water should be authorized to file an advice letter in 2006 or 2007 capped at \$243,000 to include in rates the cost of new property for a new

customer center (Project 13316). Additionally, Cal Water agrees to prepare a detailed justification for the new operations center in its next GRC filing to address DRA's concerns that are expressed in its report. .

- Cal Water agrees to DRA's recommended budget of \$575,000 for project 10074 for a tank replacement. Cal Water had initially estimated \$648,000 for this project.
- Cal Water agrees to DRA's recommendation that Cal Water should be authorized to file an advice letter to include in rates the cost of project 13318 for a tank replacement. DRA agrees that Cal Water's advice letter should seek no more than \$1,294,000 in capital costs for the project. DRA had originally proposed a cap on project costs of \$1,229,000.
- Cal Water agrees to DRA's recommendation that Cal Water should be authorized to file an advice letter to include in rates the cost of project 13327 for a new well after it is in service. Cal Water agrees that the advice letter should seek to recover no more than \$1,080,000 in capital costs for the project.

2.35 Bear Gulch plant

- Cal Water and DRA agree to include in plant \$2,103,819 actually expended on completed project 9923 for a large main replacement on Woodside Road. Cal Water had initially estimated \$2,250,600, while DRA had recommended an advice letter.
- Cal Water and DRA now agree that Cal Water should be authorized to file an advice letter to include in rates the cost of projects 4288, 12920, 12922, and 13154 for studies and improvements related to environmental compliance of the surface supply. DRA had initially opposed these projects because the timing and design of the improvements was not finalized. However, after reviewing Cal

Water's rebuttal testimony, the parties agree that the projects are necessary and will benefit the ratepayers by allowing continued use of the local water supplies. Cal Water and DRA agree that the advice letter should seek to recover no more than \$1,045,000, the initial combined budget for these projects after they are completed.

- Cal Water and DRA agree to include in plant \$1,016,200 actually expended on completed project 5520 for an ultraviolet light disinfection project at the Bear Gulch surface water treatment plant. Cal Water had initially estimated \$1,016,200, while DRA had recommended \$653,984 based on costs incurred through October 2005.
- Cal Water and DRA agree to include in plant \$93,675 actually expended on completed project 10355 for improvements to the former Los Trancos County Water District, which is now part of the Bear Gulch District. Cal Water had initially estimated \$174,200, while DRA had recommended \$29,000 based on costs incurred through October 2005.
- Cal Water agrees to DRA's recommended disallowance of the cost for project 9958 for a field yard generator in 2007.
- Cal Water agrees to DRA's recommended disallowance of the aluminum remediation project in 2007.
- Cal Water and DRA agree to nonspecific budgets reflecting DRA's methodology but with corrections provided by DRA during settlement.
- Cal Water agrees to DRA's recommendation on meter replacements.
- Cal Water agrees with DRA's recommendation that Cal Water should be authorized to file an advice letter to include in rates the cost of projects 11106 and

11107 for design and construction of a replacement for the Woodside Reservoir. While the parties agreed on the need for the project, DRA was concerned about its exact cost and timing. Cal Water agrees with DRA's recommendation that the advice letter should seek to recover no more than \$1,620,000, the initial combined budget for these projects after they are completed.

2.36 Dominguez Plant

- Cal Water and DRA now agree that Cal Water should be authorized to file advice letters to include in rates the capital costs of five water supply projects as follows:

Projects 7810, 7783, 7784, and 10393 for a new well in 2006 capped at \$1,020,000;

Project 12039 for wellhead treatment at station 294-01 capped at \$400,200;

Project 12047 for wellhead treatment at station 219-01 capped at \$232,300;

Project 12801 for wellhead treatment at station 298-01 capped at \$738,800;

Projects 13540, 13541, 13542, and 13543 for a new well in 2007 capped at \$1,094,000.

Cal Water and DRA agree that these projects, once completed, will provide substantial ratepayer benefits in lower water production expenses. The parties therefore agree that Cal Water should reflect the change in production associated with each facility in the advice letter filing. Cal Water should calculate the change in revenue requirement associated with lower purchased water costs, lower leased water rights revenue, higher power costs, higher groundwater fees, and higher chemical costs using the adopted quantity rates for those cost items and include that change in the revenue requirement offset request.

- Cal Water and DRA now agree that Cal Water should be allowed a budget of \$700,000 for project 12930 for main replacements in 2007. Cal Water had initially requested \$886,600 for this project and DRA had recommended not

allowing the project because Cal Water had not demonstrated cost savings. The parties considered Cal Water's Application testimony on the need to routinely replace aging mains in arriving at the agreed-upon amount.

- Cal Water and DRA agree to nonspecific budgets reflecting DRA's methodology but with corrections provided by DRA during settlement.
- Cal Water agrees to DRA's recommendation on meter replacements.

2.37 Hermosa plant

- Cal Water and DRA now agree on treatment of two projects 11978 and 12886 for a major main replacement in Pacific Coast Highway. Cal Water had initially budgeted these projects for \$1,048,600 and \$1,607,500, respectively, in 2005. DRA had recommended advice letter treatment because of uncertainty over timing of these significant projects. Cal Water and DRA agree to include project 11978 in the 2006 budget for \$1,048,600 and recommend the Commission authorize Cal Water to file an advice letter to include project 12886 in rates after it is completed. The advice letter would be capped at \$1,607,500 in capital costs. The parties considered Cal Water's confirmed Cal Trans construction "window" for early 2006 for the first phase of this project, as well as Cal Water's progress in notifying customers of the pending construction activity, in arriving at their recommendation.
- Cal Water and DRA agree to nonspecific budgets reflecting DRA's methodology but with corrections provided by DRA during settlement.
- Cal Water agrees to DRA's recommendation on meter replacements.

2.38 Palos Verdes Plant

- Cal Water agrees to DRA's recommendation that it file a separate application to request the Palos Verdes transmission/storage project if that project is expected to be completed before the effective date of the next GRC.
- Cal Water and DRA agree to nonspecific budgets reflecting DRA's methodology but with corrections provided by ORA during settlement.
- Cal Water agrees to DRA's recommendation on meter replacements.
- Cal Water and DRA agree to DRA's corrected retirements presented to all parties during the settlement.

2.4 Other Policy Issues

2.41 Attrition

- Parties agree to use the weather adjusted full recorded earnings test for step and attrition filings as they have agreed to in the last four Cal Water GRC's. The Commission should adopt the following language contained in Ordering Paragraph 6 from Decision (D.) 05-07-022, shown below:

Subject to the modified recorded earnings test based on weather-adjusted recorded earnings for the last 12 months ending March 31 each year, as provided in the Settlement Agreement attached to this order, CWS is authorized to file in accordance with General Order 96-A, or its successor, and to make effective on not less than five days' notice, tariffs containing the Escalation Years 2006-2007 and 2007-2008 increases for CWS districts.

- Parties agree to provide temperature and rainfall coefficients to implement this method that would be included in the adopted quantities.
- Due to a limited data set of weather and consumption, the parties did not use the standard estimating model for the Redwood Valley district sales forecast, so for Redwood Valley, parties agree to use a full recorded earnings test for attrition increases without weather adjustments.
- Parties agree to calculate the attrition increases as called for in the rate case plan.

2.42 Other Issues

- Parties agree the Commission should allow Cal Water to recover amounts booked in the general office synergies memorandum account in the Bear Gulch, Hermosa-Redondo, and Marysville Districts from the effective date of D.04-04-041 until January 1, 2006. Cal Water shall request recovery of the remaining balances from January 1, 2006 through the effective date of rates in this proceeding in its next GRC.
- Parties agree to carry forward the provisions of the settlement relating to General Operations from D.05-07-022. In particular, the incremental positions advice letter process and the General Office expansion project advice letters, which would request rate increases for specific approved projects or positions, should also apply to the districts in this proceeding.
- As an additional settlement, Cal Water agrees to provide specific information up-front in subsequent rate case filings, identifying revenues and cost allocations for specific contracted activities. Cal Water will provide for each contract:
 - A copy of the contract
 - List of obligated tasks arising from the contract

- Corresponding list of Cal Water resources used in those tasks.
- Five year summary of earnings showing revenue, direct-billed expenses, and allocated expenses.
- For allocated expenses, a clear explanation of the basis of the allocation
- For each affected Cal Water resource, identify the allocation or charging method for service provided to non-tariffed services.

Antenna leases for each district may be described in aggregate. Further in the Addendum to the Settlement, Section 5.13 CWS agreed regarding: future presentation of unregulated activities. The parties clarify that paragraph 2.62 of the original settlement regarding how future rate cases should be presented applies to all future rate cases that Cal Water files with the Commission, and not just for the future rate cases for districts in that proceeding.

In this proceeding CWS did not provide this information up-front as per the settlement. As a condition of this settlement CWS and DRA again agree that the information will be provided up-front in all future rate applications when there are unregulated activities.

Cal Water further agrees that all general office and district allocations identified in relation to each contract will be audited in connection with the general office allocations audit to be conducted as part of the 2007 General Rate Case filing. This audit is a provision of the settlement between DRA (then ORA) and Cal Water in D.05-07-022, Settlement paragraphs 2.63 and 2.64.

- Cal Water stipulates to DRA's synergies calculations. Final synergies calculations and how they impact the summary of earnings are dependent on the adopted rate

of return. Cal Water and DRA have provided a summary of their joint position on synergies, which is attached to this stipulation.

- Parties agree Cal Water should be allowed to file an advice letter initiating a water production expense memorandum account if it loses 5% or more of its well production capacity in the Dominguez-South Bay District. As described above, the ratepayers derive significant benefit from the lower cost of groundwater production (\$232 to \$332 per acre-foot depending on the basin). However, consistent operation of these groundwater production facilities has been challenging. Many of the facilities are old and prone to failure. In addition, unique water quality concerns have removed some wells from service. The account would track changes in water production costs due to mix changes only. Production expense changes due to wholesaler price changes would continue to be tracked in the water supply balancing accounts. Cal Water may request recovery of 90% of any balance in this memorandum account in its next GRC. This process replaces Cal Water's proposed total water balancing account approach for Dominguez-South Bay.
- Cal Water agrees to withdraw its request for total water cost balancing accounts in Hermosa-Redondo and Bear Gulch.
- Cal Water and DRA agree that advice letters authorized in this GRC should not be applicable after July 1, 2009, the expected effective date of rates in the next filed GRC for these districts.
- Cal Water and DRA agree to provide a table of their recommended advice letters including project description, district, project number, cap on advice letter recovery, and any other information required to ensure that Water Division can conduct a timely ministerial review of the advice letter filing. The parties propose that this table be included as an attachment to the Commission's Decision in this proceeding.

- All parties agree on a Rate Support Fund. This all-party settlement has been filed separately.
- DRA and Cal Water agree on the issue of WRAM. This settlement will be filed separately.

3.0 EXECUTION OF THE AGREEMENT

3.1 The Parties agree, without further consideration, to execute and/or cause to be executed, any other documents and to take any other action as may be necessary, to effectively consummate this Stipulation Agreement. The Parties shall take no action in opposition to this Stipulation.

3.2 The Parties agree that no signatory to this Stipulation or any member of DRA assumes any personal liability as a result of their agreement. The Parties agree that no legal action may be brought by any Party in any state or federal court, or any other forum, against any individual signatory representing the interests of DRA, attorneys representing DRA, or the DRA itself related to this Stipulation. All rights and remedies of the Parties are limited to those available before the Commission.

3.3 This Stipulation Agreement may be executed in any number of counterparts and by different Parties in separate counterparts, with the same effect as if all the Parties had signed one and the same document. All such counterparts shall be deemed to be an original and shall together constitute one and the same Agreement.

3.4 The undersigned acknowledge that they have been duly authorized to execute this Agreement on behalf of their respective principals and that such execution is made within the course and scope of their respective agency and/or employment.

4.0 GOVERNING LAW

4.1 The Parties acknowledge that unless expressly and specifically stated otherwise herein, the California Public Utilities Code, Commission regulations, orders, rulings, and/or decisions shall govern the interpretation and enforcement of this Agreement.

5.0 VERIFICATION

5.1 The signatories to this Stipulation personally and independently verify that all elements of it are true, correct, complete, and internally consistent.

DIVISION OF RATEPAYER ADVOCATES

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March 9, 2006